

104<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# **H. R. 4**

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## **AN ACT**

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

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## AN ACT

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

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

3 **SECTION 1. SHORT TITLE.**

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

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

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

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- Sec. 2. Table of contents.

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

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

5 It is the sense of the Congress that—

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

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

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

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

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

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

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

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



1 (F) children born into families receiving  
2 welfare assistance are 3 times more likely than  
3 children not born into families receiving welfare  
4 to be on welfare when they reach adulthood;

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

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

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

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

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

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

1 (M) between 1985 and 1990, the public  
2 cost of births to teenage mothers under the aid  
3 to families with dependent children program,  
4 the food stamp program, and the medicaid pro-  
5 gram has been estimated at \$120,000,000,000;

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

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

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

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

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

23 Title IV of the Social Security Act (42 U.S.C. 601  
24 et seq.) is amended by striking part A, except sections  
25 403(h) and 417, and inserting the following:

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

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

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

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

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

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

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

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

22                           “(A) Conduct a program designed to—

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

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

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

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

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

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

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

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

1           “(i) avoid subsequent pregnancies;  
2           and

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

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

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

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

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

1 **“SEC. 403. PAYMENTS TO STATES.**

2 “(a) ENTITLEMENTS.—

3 “(1) GRANTS FOR FAMILY ASSISTANCE.—

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

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

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

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

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

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

9           “(1) STATE FAMILY ASSISTANCE GRANT.—

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

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

18           “(i) the greater of—

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

1 child care under subsection (g) or (i)  
2 of such section); or

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

9 “(ii)(I) the total amount of outlays to  
10 all of the States under such section 403  
11 for fiscal year 1994 (other than with re-  
12 spect to amounts expended for child care  
13 under subsection (g) or (i) of such sec-  
14 tion); divided by

15 “(II) the total amount of obligations  
16 to all of the States under such section 403  
17 for fiscal year 1994 (other than with re-  
18 spect to amounts expended for child care  
19 under subsection (g) or (i) of such sec-  
20 tion).

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



1           \$15,390,296,000, and shall adjust each provi-  
2           sional State family assistance grant by the per-  
3           centage so determined.

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

7                   “(A) the sum of—

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

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

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

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

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

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

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

17 “(c) USE OF GRANT.—

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

1 Notwithstanding any other provision of this Act, a  
2 State to which a grant is made under section 403  
3 may not use any part of the grant to provide medi-  
4 cal services.

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

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

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

20 “(i) Part B of this title.

21 “(ii) Title XX of this Act.

22 “(iii) Any provision of law, enacted  
23 into law during the 104th Congress, under  
24 which grants are made to States for food  
25 and nutrition.

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

3           “(B) APPLICABLE RULES.—Any amount  
4           paid to the State under this part that is used  
5           to carry out a State program pursuant to a pro-  
6           vision of law specified in subparagraph (A)  
7           shall not be subject to the requirements of this  
8           part, but shall be subject to the requirements  
9           that apply to Federal funds provided directly  
10          under the provision of law to carry out the  
11          program.

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

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

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

4       “(e) PENALTIES.—

5           “(1) FOR USE OF GRANT IN VIOLATION OF  
6 THIS PART.—

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

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

20           “(C) CARRYFORWARD OF UNRECOVERED  
21 PENALTIES.—To the extent that subparagraph  
22 (B) prevents the Secretary from recovering dur-  
23 ing a fiscal year the full amount of a penalty  
24 imposed on a State under subparagraph (A) for  
25 a prior fiscal year, the Secretary shall apply

1           subparagraph (A) to the grant otherwise pay-  
2           able to the State under this section for the im-  
3           mediately succeeding fiscal year.

4           “(2) FOR FAILURE TO SUBMIT REQUIRED RE-  
5           PORT.—

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

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

22                  “(3) FOR FAILURE TO PARTICIPATE IN THE IN-  
23                  COME AND ELIGIBILITY VERIFICATION SYSTEM.—If  
24                  the Secretary determines that a State program fund-  
25                  ed under this part is not participating during a fis-

1 cal year in the income and eligibility verification sys-  
2 tem required by section 1137, the Secretary shall re-  
3 duce by 1 percent the amount of the grant that  
4 would (in the absence of this subsection, subsection  
5 (a)(1)(B) of this section, and section 404(c)(2)) be  
6 payable to the State under subsection (a)(1)(A) for  
7 the fiscal year.

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

12 “(g) FEDERAL RAINY DAY FUND.—

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

17 “(2) DEPOSITS INTO FUND.—

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

23 “(B) LOAN REPAYMENTS.—The Secretary  
24 shall deposit into the fund any principal or in-

1           terest payment received with respect to a loan  
2           made under this subsection.

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

8           “(4) USE OF FUND.—

9           “(A) LOANS TO QUALIFIED STATES.—

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

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

22           “(iii) MAXIMUM LOAN.—The amount  
23           of any loan made to a State under clause  
24           (i) during a fiscal year shall not exceed the  
25           lesser of—



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

4                   “(II) \$100,000,000.

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

11                   “(i) more than 6.5 percent; and

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

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

17                  “(a) PARTICIPATION RATE REQUIREMENTS.—

18                   “(1) REQUIREMENT APPLICABLE TO ALL FAMI-  
19                  LIES RECEIVING ASSISTANCE.—

20                   “(A) IN GENERAL.—A State to which a  
21                  grant is made under section 403 for a fiscal  
22                  year shall achieve the minimum participation  
23                  rate specified in the following table for the fis-  
24                  cal year with respect to all families receiving as-

1 assistance under the State program funded under  
 2 this part:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14                       “(A) unsubsidized employment;

15                       “(B) subsidized private sector employment;

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

21                       “(D) on-the-job training;

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

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

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

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

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

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

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

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

17           “(c) PENALTIES.—

18                   “(1) AGAINST INDIVIDUALS.—

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

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

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

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

24 “(2) AGAINST STATES.—



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

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

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

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

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

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

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

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

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

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

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

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

11 **“SEC. 405. PROHIBITIONS.**

12 “(a) IN GENERAL.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

4           “(B) HARDSHIP EXCEPTION.—

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

11 (i) such recipient—

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

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

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

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

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

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

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

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

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

20                 “(2) who—

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

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

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

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

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

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

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

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

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

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

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

1           “(A) Any housing program.

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

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

6           “(D) Any job training program.

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

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

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

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

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

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

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

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

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

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

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

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

19 “(e) REPORT ON NONCUSTODIAL PARENTS PARTICI-

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

17 **SEC. 103. TRANSFERS.**

18           (a) CHILD SUPPORT REVIEW PENALTIES.—

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

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

5           (b) ASSISTANT SECRETARY FOR FAMILY SUPPORT.—

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

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

12          and inserting the following:

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

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

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

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

25           (a) AMENDMENTS TO TITLE II.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

10 (e) AMENDMENTS TO TITLE XI.—

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

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

15 (B) by striking “(c)”.

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

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

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

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

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

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

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

5           (B) in subsection (a)(3), by striking  
6 “404,”.

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

9           (A) by striking “403(a),”;

10           (B) by striking “and part A of title IV,”;

11 and

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

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

17           (A) by striking “or part A of title IV”; and

18           (B) by striking “403(a),”.

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

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

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

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

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

5 (B) in subsection (d)(1)(B)—

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

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

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

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

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

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

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

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

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

12 “(b) PROVISION FOR REIMBURSEMENT OF EX-  
13 PENSES.—For purposes of section 455 of the Social Secu-  
14 rity Act, expenses incurred to reimburse State employment  
15 offices for furnishing information requested of such of-  
16 fices—

17 “(1) pursuant to the third sentence of section  
18 3(a) of the Act entitled ‘An Act to provide for the  
19 establishment of a national employment system and  
20 for cooperation with the States in the promotion of  
21 such system, and for other purposes’, approved June  
22 6, 1933 (29 U.S.C. 49b(a)),

23 “(2) by a State or local agency charged with  
24 the duty of carrying a State plan for child support

1 approved under part D of title IV of the Social Se-  
2 curity Act,  
3 shall be considered to constitute expenses incurred in the  
4 administration of such State plan.”.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3           “CONTINUED APPLICATION OF AFDC STANDARDS

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

11          **“SEC. 421. PURPOSE.**

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

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

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

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

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

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

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

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

7   **“SEC. 422. ELIGIBLE STATES.**

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

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

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

20                   “(B) investigating such reports;

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

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

1           “(E) protecting children in foster care;

2           “(F) promoting timely adoptions;

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

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

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

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

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

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

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

3 “(5) CERTIFICATION OF STATE PROCEDURES  
4 FOR DEVELOPING AND REVIEWING WRITTEN PLANS  
5 FOR PERMANENT PLACEMENT OF REMOVED CHIL-  
6 DREN.—A certification that the State has in effect  
7 procedures for ensuring that a written plan is pre-  
8 pared for children who have been removed from their  
9 families, which specifies the goal for achieving a per-  
10 manent placement for the child in a timely fashion,  
11 for ensuring that the written plan is reviewed every  
12 6 months, and for ensuring that information about  
13 such children is collected regularly and recorded in  
14 case records, and a description of such procedures.

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

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

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

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

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

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

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

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

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

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

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

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

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

8 “(I) merely prolong dying;

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

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

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

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

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



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

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

7 “(a) ENTITLEMENT.—

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

13 “(2) ADDITIONAL GRANT.—

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

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

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

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

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

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

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

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

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

10           and

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

12           “(2) STATE SHARE.—

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

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

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

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

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

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

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

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

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

17                  “(v) Section 423 of this Act.

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

22           “(c) USE OF GRANT.—

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

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

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

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

13              “(i) Part A of this title.

14              “(ii) Title XX of this Act.

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

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

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

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

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

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

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

17 “(e) PENALTIES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

4       “(d) DUTIES.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1           “(1) have a longitudinal component; and

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

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

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

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

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

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

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

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

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

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

25           “(d) REPORTS.—



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

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

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

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

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

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

25           “(b) MULTIETHNIC PLACEMENTS.—

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

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

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

15           “(2) PENALTIES.—

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

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

25           “(3) PRIVATE CAUSE OF ACTION.—

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

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

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

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

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

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

19           (B) by striking “or 471(a)(17)”.

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

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

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

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

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

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

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

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

1 (e) AMENDMENT TO SECTION 9442 OF THE OMNIBUS  
2 BUDGET RECONCILIATION ACT OF 1986.—Section  
3 9442(4) of the Omnibus Budget Reconciliation Act of  
4 1986 (42 U.S.C. 679a(4)) is amended by inserting “(as  
5 in effect before October 1, 1995)” after “Act”.

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

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

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

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

20 (1) in subsection (a)(1)—

21 (A) by striking “part A of”, and

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

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

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

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

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

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

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

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

15 It is the sense of the Congress that—

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

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

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

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

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

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

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

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

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

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

3 **TITLE III—BLOCK GRANTS FOR**  
4 **CHILD CARE AND FOR NUTRI-**  
5 **TION ASSISTANCE**  
6 **Subtitle A—Child Care Block**  
7 **Grants**

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

4 (1) in subsection (b)—

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

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

10 (2) in subsection (c)—

11 (A) in paragraph (1)—

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

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

17 (B) in paragraph (2)—

18 (i) in subparagraph (A)—

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

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

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

3 (ii) in subparagraph (B)—

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

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

9 (iii) in subparagraph (C)—

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

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

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

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

24 (v) in subparagraph (E)—

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

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

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

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

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

17 (vi) by striking subparagraphs (F),  
18 (G), (H), (I), and (J),

19 (C) in paragraph (3)—

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

23 (ii) in subparagraph (B)—

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

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

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

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

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

19 (V) by striking clause (ii), and  
20 (iii) by amending subparagraph (C) to  
21 read as follows:

22 “(C) LIMITATION ON ADMINISTRATIVE  
23 COSTS.—Not more than 5 percent of the aggre-  
24 gate amount of payments received under this  
25 subchapter by a State in each fiscal year may

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

4 (D) in paragraph (4)(A)—

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

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

12 (iii) by striking the last sentence, and

13 (E) by striking paragraph (5).

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

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

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

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

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

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

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

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

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

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

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

18 (2) in subsection (a)—

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15          (3) in subsection (b)—

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (4) by striking the last sentence.

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

20 (1) in subsection (a)(1)—

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

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

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

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

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

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

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

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

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

1 (3) in subsection (c)—

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

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

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

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

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

12 (1) in paragraph (5)(A)—

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

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

17 (C) by striking clause (ii),

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

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

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

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

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

8           (5) in paragraph (13)—

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

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

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

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

19           **“SEC. 658T. TRANSFER OF FUNDS.**

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 **Subtitle B—Family and School-**  
20 **Based Nutrition Block Grants**

21 **CHAPTER 1—FAMILY NUTRITION BLOCK**  
22 **GRANT PROGRAM**

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

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

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

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

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

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

“Sec. 2. Authorization.

“Sec. 3. Allotment.

“Sec. 4. Application.

“Sec. 5. Use of amounts.

“Sec. 6. Reports.

“Sec. 7. Penalties.

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

“Sec. 9. Authorization of appropriations.

“Sec. 10. Definitions.

6 **“SEC. 2. AUTHORIZATION.**

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

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

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

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

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

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

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

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

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

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

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

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

10 **“SEC. 3. ALLOTMENT.**

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

14 “(1) FIRST FISCAL YEAR.—

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

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

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

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

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

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

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

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

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

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

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

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

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

8           “(3) THIRD AND FOURTH FISCAL YEARS.—  
9           With respect to each of the third and fourth fiscal  
10          years for which the Secretary provides grants to  
11          States under this Act—

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

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

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



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

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

11 **“SEC. 4. APPLICATION.**

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

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

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

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

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

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

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

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

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

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

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

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

1           “(5) an agreement that the State will use not  
2           more than 5 percent of the amount of such grant for  
3           administrative costs incurred to provide assistance  
4           under this Act, except that costs associated with the  
5           nutritional risk assessment of individuals described  
6           in section 5(a)(1) and costs associated with nutrition  
7           education and counseling provided to such individ-  
8           uals shall not be considered to be administrative  
9           costs; and

10           “(6) an agreement that the State will submit to  
11           the Secretary a report in accordance with section 6.

12   **“SEC. 5. USE OF AMOUNTS.**

13           “(a) IN GENERAL.—The Secretary may provide a  
14           grant under this Act to a State only if the State agrees  
15           that it will use all amounts received from such grant—

16           “(1) subject to subsection (b), to provide nutri-  
17           tional risk assessment, food assistance based on such  
18           risk assessment, and nutrition education and coun-  
19           seling to economically disadvantaged pregnant  
20           women, postpartum women, breastfeeding women,  
21           infants, and young children who are determined to  
22           be at nutritional risk;

23           “(2) to provide milk in nonprofit nursery  
24           schools, child care centers, settlement houses, sum-  
25           mer camps, and similar institutions devoted to the

1 care and training of children, to children from eco-  
2 nomically disadvantaged families;

3 “(3) to provide food service programs in institu-  
4 tions and family day care homes providing child care  
5 to children from economically disadvantaged fami-  
6 lies;

7 “(4) to provide summer food service programs  
8 carried out by nonprofit food authorities, local gov-  
9 ernments, nonprofit higher education institutions  
10 participating in the National Youth Sports Program,  
11 and residential nonprofit summer camps to children  
12 from economically disadvantaged families; and

13 “(5) to provide nutritious meals to pre-school  
14 age homeless children in shelters and other facilities  
15 serving the homeless population.

16 “(b) ADDITIONAL REQUIREMENTS WITH RESPECT  
17 TO ASSISTANCE FOR PREGNANT, POSTPARTUM, AND  
18 BREASTFEEDING WOMEN, INFANTS, AND CHILDREN.—

19 “(1) MINIMUM AMOUNT OF ASSISTANCE.—The  
20 State shall ensure that not less than 80 percent of  
21 the amount of the grant is used to provide nutri-  
22 tional risk assessment, food assistance based on such  
23 nutritional risk assessment, and nutrition education  
24 and counseling to economically disadvantaged preg-  
25 nant women, postpartum women, breastfeeding

1 women, infants, and young children under sub-  
2 section (a)(1).

3 “(2) COST CONTAINMENT MEASURES REGARD-  
4 ING PROCUREMENT OF INFANT FORMULA.—

5 “(A) IN GENERAL.—The State shall, with  
6 respect to the provision of food assistance to  
7 economically disadvantaged pregnant women,  
8 postpartum women, breastfeeding women, in-  
9 fants, and young children under subsection  
10 (a)(1), establish and carry out a cost contain-  
11 ment system for the procurement of infant for-  
12 mula.

13 “(B) USE OF AMOUNTS RESULTING FROM  
14 SAVINGS.—The State shall use amounts avail-  
15 able to the State as result of savings in costs  
16 to the State from the implementation of the  
17 cost containment system described in subpara-  
18 graph (A) for the purpose of providing the as-  
19 sistance described in paragraphs (1) through  
20 (5) of subsection (a).

21 “(C) ANNUAL REPORTS.—The State shall  
22 submit to the Secretary for each fiscal year a  
23 report containing—

24 “(i) a description of the cost contain-  
25 ment system for infant formula imple-

1           mented by the State in accordance with  
2           subparagraph (A) for such fiscal year; and  
3           “(ii) the estimated amount of savings  
4           in costs derived by the State in providing  
5           food assistance described in such subpara-  
6           graph under such cost containment system  
7           for such fiscal year as compared to the  
8           amount of such savings derived by the  
9           State under the cost containment system  
10          for the preceding fiscal year, where appro-  
11          priate.

12           “(3) ASSISTANCE FOR MEMBERS OF THE  
13          ARMED FORCES AND THEIR DEPENDENTS.—The  
14          State shall ensure that assistance described in sub-  
15          section (a)(1) is provided to members of the Armed  
16          Forces and dependents of such members (regardless  
17          of the State of residence of such members or de-  
18          pendents) who meet the requirements of such sub-  
19          section on an equitable basis with assistance pro-  
20          vided to all other individuals under such subsection  
21          in such State.

22           “(c) ADDITIONAL REQUIREMENT WITH RESPECT TO  
23          CHILD CARE ASSISTANCE ON MILITARY INSTALLA-  
24          TIONS.—

1           “(1) IN GENERAL.—To the extent consistent  
2           with the number of children who are receiving assist-  
3           ance under child care programs established and car-  
4           ried out on military installations in such State by  
5           the Department of Defense, the State, after timely  
6           and appropriate consultation with representatives of  
7           such programs, shall provide assistance to such pro-  
8           grams for such children (regardless of the State of  
9           residence of such children) in accordance with sub-  
10          section (a)(3) on an equitable basis with assistance  
11          provided in accordance with such subsection to all  
12          other child care programs carried out in such State.

13           “(2) LIMITATION.—In providing assistance to a  
14          child care program established and carried out on a  
15          military installation under paragraph (1), a State  
16          shall not require that such program be licensed  
17          under State law if such program is licensed by the  
18          Department of Defense.

19          “(d) AUTHORITY TO USE AMOUNTS FOR OTHER  
20          PURPOSES.—

21           “(1) IN GENERAL.—Subject to paragraphs (2)  
22          and (3), a State may use not more than 20 percent  
23          of amounts received from a grant under this Act for  
24          a fiscal year to carry out a State program pursuant  
25          to any or all of the following provisions of law:

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

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

5           “(C) Title XX of the Social Security Act  
6           (42 U.S.C. 1397 et seq.).

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

9           “(E) The Child Care and Development  
10          Block Grant Act of 1990 (42 U.S.C. 9858 et  
11          seq.).

12          “(2) SUFFICIENT FUNDING DETERMINATION.—  
13          Prior to using any amounts received from a grant  
14          under this Act for a fiscal year to carry out a State  
15          program pursuant to any or all of the provisions of  
16          law described in paragraph (1), the appropriate  
17          State agency shall make a determination that suffi-  
18          cient amounts will remain available for such fiscal  
19          year to carry out this Act.

20          “(3) RULES GOVERNING USE OF AMOUNTS FOR  
21          OTHER PURPOSES.—Amounts paid to the State  
22          under a grant under this Act that are used to carry  
23          out a State program pursuant to a provision of law  
24          specified in paragraph (1) shall not be subject to the  
25          requirements of this Act, but shall be subject to the



1 same requirements that apply to Federal funds pro-  
2 vided directly under the provision of law to carry out  
3 the program.

4 **“SEC. 6. REPORTS.**

5 “The Secretary may provide a grant under this Act  
6 to a State for a fiscal year only if the State agrees that  
7 it will submit, for such fiscal year, a report to the Sec-  
8 retary describing—

9 “(1) the number of individuals receiving assist-  
10 ance under the grant in accordance with each of  
11 paragraphs (1) through (5) of section 5(a);

12 “(2) the different types of assistance provided  
13 to such individuals in accordance with such para-  
14 graphs;

15 “(3) the extent to which such assistance was ef-  
16 fective in achieving the goals described in section  
17 2(b);

18 “(4) the standards and methods the State is  
19 using to ensure the nutritional quality of such assist-  
20 ance, including meals and supplements;

21 “(5) the number of low birthweight births in  
22 the State in such fiscal year compared to the num-  
23 ber of such births in the State in the previous fiscal  
24 year; and

1           “(6) any other information which can be rea-  
2           sonably required by the Secretary.

3   **“SEC. 7. PENALTIES.**

4           “(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION  
5 OF THIS ACT.—

6           “(1) IN GENERAL.—The Secretary shall reduce  
7           the amounts otherwise payable to a State under a  
8           grant under this Act by any amount paid to the  
9           State under this Act which an audit conducted pur-  
10          suant to chapter 75 of title 31, United States Code,  
11          finds has been used in violation of this Act.

12          “(2) LIMITATION.—In carrying out paragraph  
13          (1), the Secretary shall not reduce any quarterly  
14          payment by more than 25 percent.

15          “(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED  
16 REPORT.—The Secretary shall reduce by 3 percent the  
17 amount otherwise payable to a State under a grant under  
18 this Act for a fiscal year if the Secretary determines that  
19 the State has not submitted the report required by section  
20 6 for the immediately preceding fiscal year, within 6  
21 months after the end of the immediately preceding fiscal  
22 year.

1 **“SEC. 8. MODEL NUTRITION STANDARDS FOR FOOD ASSIST-**  
2 **ANCE FOR PREGNANT, POSTPARTUM, AND**  
3 **BREASTFEEDING WOMEN, INFANTS AND**  
4 **CHILDREN.**

5 “(a) IN GENERAL.—Not later than April 1, 1996, the  
6 Food and Nutrition Board of the Institute of Medicine of  
7 the National Academy of Sciences, in cooperation with pe-  
8 diatricians, obstetricians, nutritionists, and directors of  
9 programs providing nutritional risk assessment, food as-  
10 sistance, and nutrition education and counseling to eco-  
11 nomically disadvantaged pregnant women, postpartum  
12 women, breastfeeding women, infants, and young children,  
13 shall develop model nutrition standards for food assistance  
14 provided to such women, infants, and children under this  
15 Act.

16 “(b) REQUIREMENT.—Such model nutrition stand-  
17 ards shall require that food assistance provided to such  
18 women, infants, and children contain nutrients that are  
19 lacking in the diets of such women, infants, and children,  
20 as determined by nutritional research.

21 “(c) REPORT TO CONGRESS.—Not later than 1 year  
22 after the date on which the model nutrition standards are  
23 developed under subsection (a), the Food and Nutrition  
24 Board of the Institute of Medicine of the National Acad-  
25 emy of Sciences shall prepare and submit to the Congress

1 a report regarding the efforts of States to implement such  
2 model nutrition standards.

3 **“SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

4 “(a) IN GENERAL.—There are authorized to be ap-  
5 propriated to carry out this Act \$4,606,000,000 for fiscal  
6 year 1996, \$4,777,000,000 for fiscal year 1997,  
7 \$4,936,000,000 for fiscal year 1998, \$5,120,000,000 for  
8 fiscal year 1999, and \$5,308,000,000 for fiscal year 2000.

9 “(b) AVAILABILITY.—Amounts authorized to be ap-  
10 propriated under subsection (a) are authorized to remain  
11 available until the end of the fiscal year subsequent to the  
12 fiscal year for which such amounts are appropriated.

13 **“SEC. 10. DEFINITIONS.**

14 “For purposes of this Act:

15 “(1) BREASTFEEDING WOMEN.—The term  
16 ‘breastfeeding women’ means women up to 1 year  
17 postpartum who are breastfeeding their infants.

18 “(2) ECONOMICALLY DISADVANTAGED.—The  
19 term ‘economically disadvantaged’ means an individ-  
20 ual or a family, as the case may be, whose annual  
21 income does not exceed 185 percent of the applicable  
22 family size income levels contained in the most re-  
23 cent income poverty guidelines prescribed by the Of-  
24 fice of Management and Budget and based on data  
25 from the Bureau of the Census.

1           “(3) INFANTS.—The term ‘infants’ means indi-  
2           viduals under 1 year of age.

3           “(4) POSTPARTUM WOMEN.—The term  
4           ‘postpartum women’ means women who are in the  
5           180-day period beginning on the termination of  
6           pregnancy.

7           “(5) PREGNANT WOMEN.—The term ‘pregnant  
8           women’ means women who have 1 or more fetuses  
9           in utero.

10          “(6) SCHOOL.—The term ‘school’ means a pub-  
11          lic or private nonprofit elementary, intermediate, or  
12          secondary school.

13          “(7) SECRETARY.—The term ‘Secretary’ means  
14          the Secretary of Agriculture.

15          “(8) STATE.—The term ‘State’ means any of  
16          the several States, the District of Columbia, the  
17          Commonwealth of Puerto Rico, the Commonwealth  
18          of the Northern Mariana Islands, American Samoa,  
19          Guam, the Virgin Islands, or a tribal organization  
20          (as defined in section 4(l) of the Indian Self-Deter-  
21          mination and Education Assistance Act (25 U.S.C.  
22          450b(l))).

23          “(9) YOUNG CHILDREN.—The term ‘young chil-  
24          dren’ means individuals who have attained the age  
25          of 1 but have not attained the age of 5.”.

1 **CHAPTER 2—SCHOOL-BASED NUTRITION**  
2 **BLOCK GRANT PROGRAM**

3 **SEC. 341. AMENDMENT TO NATIONAL SCHOOL LUNCH ACT.**

4 The National School Lunch Act (42 U.S.C. 1751 et  
5 seq.) is amended to read as follows:

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

7 “(a) SHORT TITLE.—This Act may be cited as the  
8 ‘National School Lunch Act’.

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

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

“Sec. 2. Authorization.

“Sec. 3. Allotment.

“Sec. 4. Application.

“Sec. 5. Use of amounts.

“Sec. 6. Reports.

“Sec. 7. Penalties.

“Sec. 8. Assistance to children enrolled in private nonprofit schools and Department of Defense domestic dependents’ schools in case of restrictions on State or failure by State to provide assistance.

“Sec. 9. Food service programs for department of defense overseas dependents’ schools.

“Sec. 10. Model nutrition standards for meals for students.

“Sec. 11. Definitions.

11 **“SEC. 2. AUTHORIZATION.**

12 “(a) ENTITLEMENT.—

13 “(1) IN GENERAL.—In the case of each State  
14 that in accordance with section 4 submits to the  
15 Secretary of Agriculture an application for a fiscal  
16 year, each such State shall be entitled to receive  
17 from the Secretary for such fiscal year a grant for  
18 the purpose of achieving the goals described in sub-  
19 section (b). Subject to paragraph (2), the grant shall

1 consist of the allotment for such State determined  
2 under section 3 of the school-based nutrition amount  
3 for the fiscal year.

4 “(2) REQUIREMENT TO PROVIDE COMMOD-  
5 ITIES.—9 percent of the amount of the assistance  
6 available under this Act for each State shall be in  
7 the form of commodities.

8 “(3) SCHOOL-BASED NUTRITION AMOUNT.—

9 “(A) IN GENERAL.—For purposes of this  
10 Act, the term ‘school-based nutrition amount’  
11 means, subject to the reservation contained in  
12 subparagraph (B), \$6,681,000,000 for fiscal  
13 year 1996, \$6,956,000,000 for fiscal year 1997,  
14 \$7,237,000,000 for fiscal year 1998,  
15 \$7,538,000,000 for fiscal year 1999, and  
16 \$7,849,000,000 for fiscal year 2000.

17 “(B) RESERVATION.—For each fiscal year  
18 described in subparagraph (A), the Secretary  
19 shall reserve an amount equal to the amount  
20 determined under subsection (c) of section 9 for  
21 such fiscal year from the school-based nutrition  
22 amount for the purpose of establishing and car-  
23 rying out nutritious food service programs at  
24 Department of Defense overseas dependents’  
25 schools in accordance with such section.

1           “(4) AVAILABILITY.—Payments under a grant  
2           to a State from the allotment determined under sec-  
3           tion 3 for any fiscal year may be obligated by the  
4           State in that fiscal year or in the succeeding fiscal  
5           year.

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

7           “(1) to safeguard the health and well-being of  
8           children through the provision of nutritious, well-bal-  
9           anced meals and food supplements;

10           “(2) to provide economically disadvantaged chil-  
11           dren access to nutritious free or low cost meals, food  
12           supplements, and low-cost milk;

13           “(3) to ensure that children served under this  
14           Act are receiving the nutrition they require to take  
15           advantage of the educational opportunities provided  
16           to them;

17           “(4) to emphasize foods which are naturally  
18           good sources of vitamins and minerals over foods  
19           which have been enriched with vitamins and min-  
20           erals and are high in fat or sodium content;

21           “(5) to provide a comprehensive school nutri-  
22           tion program for children; and

23           “(6) to minimize paperwork burdens and ad-  
24           ministrative expenses for participating schools.



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

4       **“SEC. 3. ALLOTMENT.**

5       “The Secretary shall allot the school-based nutrition  
6 amount to carry out this Act for a fiscal year among the  
7 States as follows:

8               “(1) FIRST FISCAL YEAR.—

9                       “(A) IN GENERAL.—With respect to the  
10 first fiscal year for which the Secretary provides  
11 grants to States under this Act, the amount al-  
12 lotted to each State shall bear the same propor-  
13 tion to such school-based nutrition amount as  
14 the aggregate of the amounts described in sub-  
15 paragraph (B) that were received by each such  
16 State under the provisions of law described in  
17 such subparagraph (as such provisions of law  
18 were in effect on the day before the date of the  
19 enactment of the Personal Responsibility Act of  
20 1995) for the preceding fiscal year bears to the  
21 aggregate of the amounts described in subpara-  
22 graph (B) that were received by all such States  
23 under such provisions of law for such preceding  
24 fiscal year.

1           “(B) AMOUNTS DESCRIBED.—The  
2 amounts described in this subparagraph are the  
3 following:

4           “(i) The amount received under the  
5 school breakfast program established under  
6 section 4 of the Child Nutrition Act of  
7 1966 (42 U.S.C. 1773).

8           “(ii) The amount received under the  
9 school lunch program established under  
10 this Act (42 U.S.C. 1751 et seq.).

11           “(iii) 12.5 percent of the sum of the  
12 amounts received under the following pro-  
13 grams:

14           “(I) The child and adult care  
15 food program under section 17 of this  
16 Act (42 U.S.C. 1766), except for sub-  
17 section (o) of such section.

18           “(II) The summer food service  
19 program for children established  
20 under section 13 of this Act (42  
21 U.S.C. 1761).

22           “(III) The special milk program  
23 established under section 3 of the  
24 Child Nutrition Act of 1966 (42  
25 U.S.C. 1772).

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

4           “(A) 95 percent of such school-based nu-  
5 trition amount shall be allotted among the  
6 States by allotting to each State an amount  
7 that bears the same proportion to such school-  
8 based nutrition amount as the amount allotted  
9 to each such State from a grant under this Act  
10 for the preceding fiscal year bears to the aggre-  
11 gate of the amounts allotted to all such States  
12 from grants under this Act for such preceding  
13 fiscal year; and

14           “(B) 5 percent of such school-based nutri-  
15 tion amount shall be allotted among the States  
16 by allotting to each State an amount that bears  
17 the same proportion to such school-based nutri-  
18 tion amount as the relative number of meals  
19 served during the 1-year period ending on June  
20 30 of the preceding fiscal year in a State from  
21 amounts received from a grant under this Act  
22 for such preceding fiscal year bears to the total  
23 number of meals served in all States from  
24 amounts received from grants under this Act  
25 for the preceding fiscal year.

1           “(3) THIRD AND FOURTH FISCAL YEARS.—  
2           With respect to each of the third and fourth fiscal  
3           years for which the Secretary provides grants to  
4           States under this Act—

5                   “(A) 90 percent of such school-based nu-  
6                   trition amount shall be allotted among the  
7                   States by allotting to each State an amount de-  
8                   termined in accordance with the formula de-  
9                   scribed in paragraph (2)(A); and

10                   “(B) 10 percent of such school-based nu-  
11                   trition amount shall be allotted among the  
12                   States by allotting to each State an amount de-  
13                   termined in accordance with the formula de-  
14                   scribed in paragraph (2)(B).

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

18                   “(A) 85 percent of such school-based nu-  
19                   trition amount shall be allotted among the  
20                   States by allotting to each State an amount de-  
21                   termined in accordance with the formula de-  
22                   scribed in paragraph (2)(A); and

23                   “(B) 15 percent of such school-based nu-  
24                   trition amount shall be allotted among the  
25                   States by allotting to each State an amount de-

1           terminated in accordance with the formula de-  
2           scribed in paragraph (2)(B).

3 **“SEC. 4. APPLICATION.**

4           “The Secretary may provide a grant under this Act  
5 to a State for a fiscal year only if the State submits to  
6 the Secretary an application containing only—

7           “(1) an agreement that the State will use  
8 amounts received from such grant in accordance  
9 with section 5;

10           “(2) except as provided in paragraph (3), an  
11 agreement that the State will set minimum nutri-  
12 tional requirements for meals provided under this  
13 Act based on the most recent tested nutritional re-  
14 search available, except that—

15           “(A) such requirements shall not be con-  
16 strued to prohibit the substitution of foods to  
17 accommodate the medical or other special die-  
18 tary needs of individual students; and

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

21           “(i) the weekly average of the nutrient  
22 content of school lunches; or

23           “(ii) such other standards as the  
24 State may prescribe;

1           “(3) an agreement that the State, with respect  
2 to the provision of meals to students, shall—

3           “(A) implement the minimum nutritional  
4 requirements described in paragraph (2) for  
5 such meals; or

6           “(B) implement the model nutrition stand-  
7 ards developed under section 10 for such meals;

8           “(4) an agreement that the State will take such  
9 reasonable steps as the State deems necessary to re-  
10 strict the use and disclosure of information about in-  
11 dividuals and families receiving assistance under this  
12 Act;

13           “(5) an agreement that the State will use not  
14 more than 2 percent of the amount of such grant for  
15 administrative costs incurred to provide assistance  
16 under this Act; and

17           “(6) an agreement that the State will submit to  
18 the Secretary a report in accordance with section 6.

19 **“SEC. 5. USE OF AMOUNTS.**

20           “(a) IN GENERAL.—The Secretary may provide a  
21 grant under this Act to a State only if the State agrees  
22 that it will use all amounts received from such grant to  
23 provide assistance to schools to establish and carry out  
24 nutritious food service programs that provide affordable  
25 meals and supplements to students, which may include—

1 “(1) nonprofit school breakfast programs;

2 “(2) nonprofit school lunch programs;

3 “(3) nonprofit before and after school supple-  
4 ment programs;

5 “(4) nonprofit low-cost milk services; and

6 “(5) nonprofit summer meals programs.

7 “(b) ADDITIONAL REQUIREMENTS.—

8 “(1) MINIMUM AMOUNT OF GRANT FOR FREE  
9 OR LOW COST MEALS OR SUPPLEMENTS.—In provid-  
10 ing assistance to schools to establish and carry out  
11 nutritious food service programs in accordance with  
12 subsection (a), the State shall ensure that not less  
13 than 80 percent of the amount of the grant is used  
14 to provide free or low cost meals or supplements to  
15 economically disadvantaged children.

16 “(2) PROVISION OF FOOD SERVICE PROGRAMS  
17 IN PRIVATE NONPROFIT SCHOOLS AND DEPARTMENT  
18 OF DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS.—  
19 To the extent consistent with the number of children  
20 in the State who are enrolled in private nonprofit  
21 schools and Department of Defense domestic de-  
22 pendants’ schools, the State, after timely and appro-  
23 priate consultation with representatives of such  
24 schools, as the case may be, shall ensure that nutri-  
25 tious food service programs are established and car-

1 ried out in such schools in accordance with sub-  
2 section (a) on an equitable basis with nutritious food  
3 service programs established and carried out in pub-  
4 lic nonprofit schools in the State.

5 “(c) AUTHORITY TO USE AMOUNTS FOR OTHER  
6 PURPOSES.—

7 “(1) IN GENERAL.—Subject to paragraphs (2)  
8 and (3), a State may use not more than 20 percent  
9 of amounts received from a grant under this Act for  
10 a fiscal year to carry out a State program pursuant  
11 to any or all of the following provisions of law:

12 “(A) Part A of title IV of the Social Secu-  
13 rity Act (42 U.S.C. 601 et seq.).

14 “(B) Part B of title IV of the Social Secu-  
15 rity Act (42 U.S.C. 621 et seq.).

16 “(C) Title XX of the Social Security Act  
17 (42 U.S.C. 1397 et seq.).

18 “(D) The Child Nutrition Act of 1966 (42  
19 U.S.C. 1771 et seq.).

20 “(E) The Child Care and Development  
21 Block Grant Act of 1990 (42 U.S.C. 9858 et  
22 seq.).

23 “(2) SUFFICIENT FUNDING DETERMINATION.—  
24 Prior to using any amounts received from a grant  
25 under this Act for a fiscal year to carry out a State



1 program pursuant to any or all of the provisions of  
2 law described in paragraph (1), the appropriate  
3 State agency shall make a determination that suffi-  
4 cient amounts will remain available for such fiscal  
5 year to carry out this Act.

6 “(3) RULES GOVERNING USE OF AMOUNTS FOR  
7 OTHER PURPOSES.—Amounts paid to the State  
8 under a grant under this Act that are used to carry  
9 out a State program pursuant to a provision of law  
10 specified in paragraph (1) shall not be subject to the  
11 requirements of this Act, but shall be subject to the  
12 same requirements that apply to Federal funds pro-  
13 vided directly under the provision of law to carry out  
14 the program.

15 “(d) LIMITATION ON PROVISION OF COMMODITIES  
16 TO CERTAIN SCHOOL DISTRICTS, PRIVATE NONPROFIT  
17 SCHOOLS, AND DEPARTMENT OF DEFENSE DOMESTIC  
18 DEPENDENTS’ SCHOOLS.—

19 “(1) IN GENERAL.—A State may not require a  
20 school district, private nonprofit school, or Depart-  
21 ment of Defense domestic dependents’ school de-  
22 scribed in paragraph (2), except upon the request of  
23 such school district, private school, or domestic de-  
24 pendents’ school, as the case may be, to accept com-  
25 modities for use in the food service program of such

1 school district, private school, or domestic depend-  
2 ents' school in accordance with this section. Such  
3 school district, private school, or domestic depend-  
4 ents' school may continue to receive commodity as-  
5 sistance in the form that it received such assistance  
6 as of January 1, 1987.

7 “(2) SCHOOL DISTRICT, PRIVATE NONPROFIT  
8 SCHOOL, AND DEPARTMENT OF DEFENSE DOMESTIC  
9 DEPENDENTS' SCHOOL DESCRIBED.—A school dis-  
10 trict, private nonprofit school, or Department of De-  
11 fense domestic dependents' school described in this  
12 paragraph is a school district, private nonprofit  
13 school, or Department of Defense domestic depend-  
14 ents' school, as the case may be, that as of January  
15 1, 1987, was receiving all cash payments or all com-  
16 modity letters of credit in lieu of entitlement com-  
17 modities for the school lunch program of such school  
18 district, private school, or domestic dependents'  
19 school under section 18(b) of the National School  
20 Lunch Act (42 U.S.C. 1751 et seq.), as such section  
21 was in effect on the day before the date of the enact-  
22 ment of the Personal Responsibility Act of 1995.

23 “(e) PROHIBITION ON PHYSICAL SEGREGATION,  
24 OVERT IDENTIFICATION, OR OTHER DISCRIMINATION  
25 WITH RESPECT TO CHILDREN ELIGIBLE FOR FREE OR

1 LOW COST MEALS OR SUPPLEMENTS.—In providing as-  
2 sistance to schools to establish and carry out nutritious  
3 food service programs in accordance with subsection (a),  
4 the State shall ensure that such schools do not—

5           “(1) physically segregate children eligible to re-  
6 ceive free or low cost meals or supplements on the  
7 basis of such eligibility;

8           “(2) provide for the overt identification of such  
9 children by special tokens or tickets, announced or  
10 published list of names, or other means; or

11           “(3) otherwise discriminate against such chil-  
12 dren.

13 **“SEC. 6. REPORTS.**

14           “The Secretary may provide a grant under this Act  
15 to a State for a fiscal year only if the State agrees that  
16 it will submit, for such fiscal year, a report to the Sec-  
17 retary describing—

18           “(1) the number of individuals receiving assist-  
19 ance under the grant;

20           “(2) the different types of assistance provided  
21 to such individuals;

22           “(3) the total number of meals served to stu-  
23 dents under the grant, including the percentage of  
24 such meals served to economically disadvantaged  
25 students;

1           “(4) the extent to which such assistance was ef-  
2           fective in achieving the goals described in section  
3           2(b);

4           “(5) the standards and methods the State is  
5           using to ensure the nutritional quality of such assist-  
6           ance, including meals and supplements; and

7           “(6) any other information which can be rea-  
8           sonably required by the Secretary.

9   **“SEC. 7. PENALTIES.**

10          “(a) PENALTY FOR USE OF AMOUNTS IN VIOLATION  
11          OF THIS ACT.—

12               “(1) IN GENERAL.—The Secretary shall reduce  
13               the amounts otherwise payable to a State under a  
14               grant under this Act by any amount paid to the  
15               State under this Act which an audit conducted pur-  
16               suant to chapter 75 of title 31, United States Code,  
17               finds has been used in violation of this Act.

18               “(2) LIMITATION.—In carrying out paragraph  
19               (1), the Secretary shall not reduce any quarterly  
20               payment by more than 25 percent.

21          “(b) PENALTY FOR FAILURE TO SUBMIT REQUIRED  
22          REPORT.—The Secretary shall reduce by 3 percent the  
23          amount otherwise payable to a State under a grant under  
24          this Act for a fiscal year if the Secretary determines that  
25          the State has not submitted the report required by section

1 6 for the immediately preceding fiscal year, within 6  
2 months after the end of the immediately preceding fiscal  
3 year.

4 **“SEC. 8. ASSISTANCE TO CHILDREN ENROLLED IN PRIVATE**  
5 **NONPROFIT SCHOOLS AND DEPARTMENT OF**  
6 **DEFENSE DOMESTIC DEPENDENTS’ SCHOOLS**  
7 **IN CASE OF RESTRICTIONS ON STATE OR**  
8 **FAILURE BY STATE TO PROVIDE ASSISTANCE.**

9 “(a) IN GENERAL.—If, by reason of any other provi-  
10 sion of law, a State is prohibited from providing assistance  
11 from amounts received from a grant under this Act to pri-  
12 vate nonprofit schools or Department of Defense domestic  
13 dependents’ schools for a fiscal year to establish and carry  
14 out nutritious food service programs in such schools in ac-  
15 cordance with section 5(a), or the Secretary determines  
16 that a State has substantially failed or is unwilling to pro-  
17 vide such assistance to such private nonprofit schools or  
18 domestic dependents’ schools for such fiscal year, the Sec-  
19 retary shall, after consultation with appropriate represent-  
20 atives of the State and private nonprofit schools or domes-  
21 tic dependents’ schools, as the case may be, arrange for  
22 the provision of such assistance to private nonprofit  
23 schools or domestic dependents’ schools in the State for  
24 such fiscal year in accordance with the requirements this  
25 Act.

1       “(b) REDUCTION IN AMOUNT OF STATE GRANT.—  
2 If the Secretary arranges for the provision of assistance  
3 to private nonprofit schools or Department of Defense do-  
4 mestic dependents’ schools in a State for a fiscal year  
5 under subsection (a), the amount of the grant for such  
6 State for such fiscal year shall be reduced by the amount  
7 of such assistance provided to such private nonprofit  
8 schools or domestic dependents’ schools, as the case may  
9 be.

10 **“SEC. 9. FOOD SERVICE PROGRAMS FOR DEPARTMENT OF**  
11 **DEFENSE OVERSEAS DEPENDENTS’ SCHOOLS.**

12       “(a) IN GENERAL.—The Secretary shall make avail-  
13 able to the Secretary of Defense for each fiscal year funds  
14 and commodities in an amount determined in accordance  
15 with subsection (c) for the purpose of establishing and car-  
16 rying out nutritious food service programs that provide af-  
17 fordable meals and supplements to students attending De-  
18 partment of Defense overseas dependents’ schools.

19       “(b) REQUIREMENTS.—In carrying out nutritious  
20 food service programs under subsection (a), the Secretary  
21 of Defense—

22               “(1) shall ensure that not less than 80 percent  
23               of the amount of assistance provided to each school  
24               for a fiscal year is used to provide free or low cost

1 meals or supplements to economically disadvantaged  
2 children; and

3 “(2) shall ensure that, with respect to the pro-  
4 vision of meals to students, each such school will—

5 “(A) implement minimum nutritional re-  
6 quirements for meals provided under this sec-  
7 tion based on the most recent tested nutritional  
8 research available, except that—

9 “(i) such requirements shall not be  
10 construed to prohibit the substitution of  
11 foods to accommodate the medical or other  
12 special dietary needs of individual stu-  
13 dents; and

14 “(ii) such requirements shall, at a  
15 minimum, be based on—

16 “(I) the weekly average of the  
17 nutrient content of school lunches; or

18 “(II) such other standards as the  
19 Secretary of Agriculture may pre-  
20 scribe; or

21 “(B) implement the model nutrition stand-  
22 ards developed under section 10 for such meals.

23 “(c) AMOUNT AND SOURCE OF FUNDS AND COMMOD-  
24 ITIES.—

1           “(1) AMOUNT.—The Secretary, in consultation  
2           with the Secretary of Defense, shall determine the  
3           amount of funds and commodities necessary for each  
4           fiscal year to establish and carry out nutritious food  
5           service programs described in subsection (a).

6           “(2) SOURCE.—Such amount of funds and com-  
7           modities shall consist of the reservation of the  
8           school-based nutrition amount in accordance with  
9           section 2(a)(3)(B).

10   **“SEC. 10. MODEL NUTRITION STANDARDS FOR MEALS FOR**  
11                           **STUDENTS.**

12           “(a) MODEL NUTRITION STANDARDS.—Not later  
13           than April 1, 1996, the Food and Nutrition Board of the  
14           Institute of Medicine of the National Academy of Sciences,  
15           in cooperation with nutritionists and directors of programs  
16           providing meals to students under this Act, shall develop  
17           model nutrition standards for meals provided to such stu-  
18           dents under this Act.

19           “(b) REPORT TO CONGRESS.—Not later than 1 year  
20           after the date on which the model nutrition standards are  
21           developed under subsection (a), the Food and Nutrition  
22           Board of the Institute of Medicine of the National Acad-  
23           emy of Sciences shall prepare and submit to the Congress  
24           a report regarding the efforts of States to implement such  
25           model nutrition standards.



1 **“SEC. 11. DEFINITIONS.**

2 “For purposes of this Act:

3 “(1) DEPARTMENT OF DEFENSE DOMESTIC DE-  
4 PENDENTS’ SCHOOL.—The term ‘Department of De-  
5 fense domestic dependents’ school’ means an elemen-  
6 tary or secondary school established pursuant to sec-  
7 tion 2164 of title 10, United States Code.

8 “(2) DEPARTMENT OF DEFENSE OVERSEAS DE-  
9 PENDENTS’ SCHOOL.—The term ‘Department of De-  
10 fense overseas dependents’ school’ means a Depart-  
11 ment of Defense dependents’ school which is located  
12 outside the United States and the territories or pos-  
13 sessions of the United States.

14 “(3) ECONOMICALLY DISADVANTAGED.—The  
15 term ‘economically disadvantaged’ means an individ-  
16 ual or a family, as the case may be, whose annual  
17 income does not exceed 185 percent of the applicable  
18 family size income levels contained in the most re-  
19 cent income poverty guidelines prescribed by the Of-  
20 fice of Management and Budget and based on data  
21 from the Bureau of the Census.

22 “(4) SCHOOL.—The term ‘school’ means a pub-  
23 lic or private nonprofit elementary, intermediate, or  
24 secondary school.

25 “(5) SECRETARY.—The term ‘Secretary’ means  
26 the Secretary of Agriculture.

1           “(6) STATE.—The term ‘State’ means any of  
2           the several States, the District of Columbia, the  
3           Commonwealth of Puerto Rico, the Commonwealth  
4           of the Northern Mariana Islands, American Samoa,  
5           Guam, the Virgin Islands, or a tribal organization  
6           (as defined in section 4(l) of the Indian Self-Deter-  
7           mination and Education Assistance Act (25 U.S.C.  
8           450b(l))).”.

### 9           **CHAPTER 3—MISCELLANEOUS**

#### 10           **PROVISIONS**

##### 11   **SEC. 361. REPEALERS.**

12           The following Acts are repealed:

13           (1) The Commodity Distribution Reform Act  
14           and WIC Amendments of 1987 (Public Law 100–  
15           237; 101 Stat. 1733).

16           (2) The Child Nutrition and WIC Reauthoriza-  
17           tion Act of 1989 (Public Law 101–147; 103 Stat.  
18           877).

### 19           **Subtitle C—Other Repealers and** 20           **Conforming Amendments**

##### 21   **SEC. 371. AMENDMENTS TO LAWS RELATING TO CHILD**

##### 22           **PROTECTION BLOCK GRANT.**

23           (a) ABANDONED INFANTS ASSISTANCE.—

1           (1) REPEALER.—The Abandoned Infants As-  
2           sistance Act of 1988 (42 U.S.C. 670 note) is re-  
3           pealed.

4           (2) CONFORMING AMENDMENT.—Section  
5           421(7) of the Domestic Volunteer Service Act of  
6           1973 (42 U.S.C. 5061(7)) is amended to read as fol-  
7           lows:

8           “(7) the term ‘boarder baby’ means an infant  
9           who is medically cleared for discharge from an  
10          acute-care hospital setting, but remains hospitalized  
11          because of a lack of appropriate out-of-hospital  
12          placement alternatives;”.

13          (b) CHILD ABUSE PREVENTION AND TREATMENT.—

14               (1) REPEALER.—The Child Abuse Prevention  
15               and Treatment Act (42 U.S.C. 5101 et seq.) is re-  
16               pealed.

17               (2) CONFORMING AMENDMENTS.—The Victims  
18               of Crime Act of 1984 (42 U.S.C. 10601 et seq.) is  
19               amended—

20                       (A) in section 1402—

21                               (i) in subsection (d)—

22                                       (I) by striking paragraph (2);

23                                       (II) by redesignating paragraphs

24                                       (3) and (4) as paragraphs (2) and

25                                       (3), respectively; and

1 (III) in paragraph (2) (as reded-  
2 ignated by subclause (II))—

3 (aa) in subparagraph (A),  
4 by striking the semicolon at the  
5 end and inserting “; and”;

6 (bb) by striking subpara-  
7 graph (B); and

8 (cc) by redesignating sub-  
9 paragraph (C) as subparagraph  
10 (B); and

11 (ii) by striking subsection (g); and  
12 (B) by striking section 1404A.

13 (c) ADOPTION OPPORTUNITIES.—The Child Abuse  
14 Prevention and Treatment and Adoption Reform Act of  
15 1978 (42 U.S.C. 5111 et seq.) is repealed.

16 (d) CRISIS NURSERIES.—The Temporary Child Care  
17 for Children with Disabilities and Crisis Nurseries Act of  
18 1986 (42 U.S.C. 5117 et seq.) is amended—

19 (1) in the title heading by striking “AND CRI-  
20 SIS NURSERIES”;

21 (2) in section 201 by striking “and Crisis Nurs-  
22 eries”;

23 (3) in section 202—

24 (A) by striking “provide: (A) temporary”  
25 and inserting “to provide temporary”; and

1 (B) by striking “children, and (B)” and all  
2 that follows through the period and inserting  
3 “children.”;

4 (4) by striking section 204; and

5 (5) in section 205—

6 (A) in subsection (a)—

7 (i) in paragraph (1)(A) by striking  
8 “or 204”; and

9 (ii) in paragraph (2)—

10 (I) by striking subparagraph (D);

11 and

12 (II) by redesignating subpara-  
13 graph (E) as subparagraph (D);

14 (B) by striking subsection (b)(3); and

15 (C) in subsection (d)—

16 (i) by striking paragraph (3); and

17 (ii) by redesignating paragraphs (4)

18 and (5) as paragraph (3) and (4), respec-

19 tively.

20 (e) MISSING CHILDREN’S ASSISTANCE ACT.—The

21 Missing Children’s Assistance Act (42 U.S.C. 5771-5779)

22 is repealed.

23 (f) FAMILY SUPPORT CENTERS.—Subtitle F of title

24 VII of the Stewart B. McKinney Homeless Assistance Act

25 (42 U.S.C. 11481-11489) is repealed.

1 (g) INVESTIGATION AND PROSECUTION OF CHILD  
2 ABUSE CASES.—Subtitle A of title II of the Victims of  
3 Child Abuse Act of 1990 (42 U.S.C. 13001–13004) is re-  
4 pealed.

5 (h) REPEAL OF FAMILY UNIFICATION PROGRAM.—  
6 Subsection (x) of section 8 of the United States Housing  
7 Act of 1937 (42 U.S.C. 1437f(x)) is repealed.

## 8 **Subtitle D—Related Provisions**

9 **SEC. 381. REQUIREMENT THAT DATA RELATING TO THE IN-**  
10 **CIDENCE OF POVERTY IN THE UNITED**  
11 **STATES BE PUBLISHED AT LEAST EVERY 2**  
12 **YEARS.**

13 (a) IN GENERAL.—The Secretary shall, to the extent  
14 feasible, produce and publish for each State, county, and  
15 local unit of general purpose government for which data  
16 have been compiled in the then most recent census of pop-  
17 ulation under section 141(a) of title 13, United States  
18 Code, and for each school district, data relating to the in-  
19 cidence of poverty. Such data may be produced by means  
20 of sampling, estimation, or any other method that the Sec-  
21 retary determines will produce current, comprehensive,  
22 and reliable data.

23 (b) CONTENT; FREQUENCY.—Data under this sec-  
24 tion—

25 (1) shall include—

1 (A) for each school district, the number of  
2 children age 5 to 17, inclusive, in families below  
3 the poverty level; and

4 (B) for each State and county referred to  
5 in subsection (a), the number of individuals age  
6 65 or older below the poverty level; and

7 (2) shall be published—

8 (A) for each State, county, and local unit  
9 of general purpose government referred to in  
10 subsection (a), in 1996 and at least every sec-  
11 ond year thereafter; and

12 (B) for each school district, in 1998 and at  
13 least every second year thereafter.

14 (c) AUTHORITY TO AGGREGATE.—

15 (1) IN GENERAL.—If reliable data could not  
16 otherwise be produced, the Secretary may, for pur-  
17 poses of subsection (b)(1)(A), aggregate school dis-  
18 tricts, but only to the extent necessary to achieve re-  
19 liability.

20 (2) INFORMATION RELATING TO USE OF AU-  
21 THORITY.—Any data produced under this subsection  
22 shall be appropriately identified and shall be accom-  
23 panied by a detailed explanation as to how and why  
24 aggregation was used (including the measures taken  
25 to minimize any such aggregation).

1 (d) REPORT TO BE SUBMITTED WHENEVER DATA  
2 IS NOT TIMELY PUBLISHED.—If the Secretary is unable  
3 to produce and publish the data required under this sec-  
4 tion for any State, county, local unit of general purpose  
5 government, or school district in any year specified in sub-  
6 section (b)(2), a report shall be submitted by the Secretary  
7 to the President of the Senate and the Speaker of the  
8 House of Representatives, not later than 90 days before  
9 the start of the following year, enumerating each govern-  
10 ment or school district excluded and giving the reasons  
11 for the exclusion.

12 (e) CRITERIA RELATING TO POVERTY.—In carrying  
13 out this section, the Secretary shall use the same criteria  
14 relating to poverty as were used in the then most recent  
15 census of population under section 141(a) of title 13,  
16 United States Code (subject to such periodic adjustments  
17 as may be necessary to compensate for inflation and other  
18 similar factors).

19 (f) CONSULTATION.—The Secretary shall consult  
20 with the Secretary of Education in carrying out the re-  
21 quirements of this section relating to school districts.

22 (g) DEFINITION.—For the purpose of this section,  
23 the term “Secretary” means the Secretary of Health and  
24 Human Services.



1 (h) AUTHORIZATION OF APPROPRIATIONS.—There  
2 are authorized to be appropriated to carry out this section  
3 \$1,500,000 for each of fiscal years 1996 through 2000.

4 **SEC. 382. DATA ON PROGRAM PARTICIPATION AND OUT-**  
5 **COMES.**

6 (a) IN GENERAL.—The Secretary shall produce data  
7 relating to participation in programs authorized by this  
8 Act by families and children. Such data may be produced  
9 by means of sampling, estimation, or any other method  
10 that the Secretary determines will produce comprehensive  
11 and reliable data.

12 (b) CONTENT.—Data under this section shall include,  
13 but not be limited to—

14 (1) changes in participation in welfare, health,  
15 education, and employment and training programs,  
16 for families and children, the duration of such par-  
17 ticipation, and the causes and consequences of any  
18 changes in program participation;

19 (2) changes in employment status, income and  
20 poverty status, family structure and process, and  
21 children's well-being, over time, for families and chil-  
22 dren participating in Federal programs and, if ap-  
23 propriate, other low-income families and children,  
24 and the causes and consequences of such changes;  
25 and

1           (3) demographic data, including household com-  
2           position, marital status, relationship of householders,  
3           racial and ethnic designation, age, and educational  
4           attainment.

5           (c) FREQUENCY.—Data under this section shall re-  
6           flect the period 1993 through 2002, and shall be published  
7           as often as practicable during that time, but in any event  
8           no later than December 31, 2003.

9           (d) DEFINITION.—For the purpose of this section,  
10          the term “Secretary” means the Secretary of Health and  
11          Human Services.

12          (e) AUTHORIZATION OF APPROPRIATIONS.—There  
13          are authorized to be appropriated to carry out this section  
14          \$2,500,000 in fiscal year 1996, \$10,000,000 for each of  
15          fiscal years 1997 through 2002, and \$2,000,000 for fiscal  
16          year 2003.

17          **Subtitle E—General Effective Date;**  
18          **Preservation of Actions, Obliga-**  
19          **tions, and Rights**

20          **SEC. 391. EFFECTIVE DATE.**

21          Except as otherwise provided in this title, this title  
22          and the amendments made by this title shall take effect  
23          on October 1, 1995.

1 **SEC. 392. APPLICATION OF AMENDMENTS AND REPEALERS.**

2 An amendment or repeal made by this title shall not  
3 apply with respect to—

4 (1) powers, duties, functions, rights, claims,  
5 penalties, or obligations applicable to financial as-  
6 sistance provided before the effective date of amend-  
7 ment or repeal, as the case may be, under the Act  
8 so amended or so repealed; and

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

12 **TITLE IV—RESTRICTING WEL-**  
13 **FARE AND PUBLIC BENEFITS**  
14 **FOR ALIENS**

15 **SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING**  
16 **WELFARE AND IMMIGRATION.**

17 The Congress makes the following statements con-  
18 cerning national policy with respect to welfare and immi-  
19 gration:

20 (1) Self-sufficiency has been a basic principle of  
21 United States immigration law since this country's  
22 earliest immigration statutes.

23 (2) It continues to be the immigration policy of  
24 the United States that—

25 (A) aliens within the nation's borders not  
26 depend on public resources to meet their needs,

1 but rather rely on their own capabilities and the  
2 resources of their families, their sponsors, and  
3 private organizations, and

4 (B) the availability of public benefits not  
5 constitute an incentive for immigration to the  
6 United States.

7 (3) Despite the principle of self-sufficiency,  
8 aliens have been applying for and receiving public  
9 benefits from Federal, State, and local governments  
10 at increasing rates.

11 (4) Current eligibility rules for public assistance  
12 and unenforceable financial support agreements have  
13 proved wholly incapable of assuring that individual  
14 aliens not burden the public benefits system.

15 (5) It is a compelling government interest to  
16 enact new rules for eligibility and sponsorship agree-  
17 ments in order to assure that aliens be self-reliant  
18 in accordance with national immigration policy.

19 (6) It is a compelling government interest to re-  
20 move the incentive for illegal immigration provided  
21 by the availability of public benefits.

1     **Subtitle A—Eligibility for Federal**  
2                     **Benefits Programs**

3     **SEC. 401. INELIGIBILITY OF ILLEGAL ALIENS FOR CERTAIN**  
4                     **PUBLIC BENEFITS PROGRAMS.**

5             (a) IN GENERAL.—Notwithstanding any other provi-  
6     sion of law and except as provided in subsections (b) and  
7     (c), any alien who is not lawfully present in the United  
8     States shall not be eligible for any Federal means-tested  
9     public benefits program (as defined in section 431(d)(2)).

10            (b) EXCEPTION FOR EMERGENCY ASSISTANCE.—  
11     Subsection (a) shall not apply to the provision of non-cash,  
12     in-kind emergency assistance (including emergency medi-  
13     cal services).

14            (c) TREATMENT OF HOUSING-RELATED ASSIST-  
15     ANCE.—Subsection (a) shall not apply to any program for  
16     housing or community development assistance adminis-  
17     tered by the Secretary of Housing and Urban Develop-  
18     ment, any program under title V of the Housing Act of  
19     1949, or any assistance under section 306C of the Consoli-  
20     dated Farm and Rural Development Act, except that in  
21     the case of financial assistance (as defined in section  
22     214(b) of the Housing and Community Development Act  
23     of 1980), the provisions of section 214 of such Act shall  
24     apply instead of subsection (a).

1 **SEC. 402. INELIGIBILITY OF NONIMMIGRANTS FOR CER-**  
2 **TAIN PUBLIC BENEFITS PROGRAMS.**

3 (a) IN GENERAL.—Notwithstanding any other provi-  
4 sion of law and except as provided in subsections (b) and  
5 (c), any alien who is lawfully present in the United States  
6 as a nonimmigrant shall not be eligible for any Federal  
7 means-tested public benefits program.

8 (b) EXCEPTIONS.—

9 (1) EMERGENCY ASSISTANCE.—Subsection (a)  
10 shall not apply to the provision of non-cash, in-kind  
11 emergency assistance (including emergency medical  
12 services).

13 (2) ALIENS GRANTED ASYLUM.—Subsection (a)  
14 shall not apply to an alien who is granted asylum  
15 under section 208 of the Immigration and National-  
16 ity Act or whose deportation has been withheld  
17 under section 243(h) of such Act.

18 (3) TREATMENT OF TEMPORARY AGRICUL-  
19 TURAL WORKERS.—Subsection (a) shall not apply to  
20 a nonimmigrant admitted as a temporary agricul-  
21 tural worker under section 101(a)(15)(H)(ii)(a) of  
22 the Immigration and Nationality Act or as the  
23 spouse or minor child of such a worker under section  
24 101(a)(15)(H)(iii) of such Act.

25 (c) TREATMENT OF HOUSING-RELATED ASSIST-  
26 ANCE.—Subsection (a) shall not apply to any program for

1 housing or community development assistance adminis-  
2 tered by the Secretary of Housing and Urban Develop-  
3 ment, any program under title V of the Housing Act of  
4 1949, or any assistance under section 306C of the Consoli-  
5 dated Farm and Rural Development Act, except that in  
6 the case of financial assistance (as defined in section  
7 214(b) of the Housing and Community Development Act  
8 of 1980), the provisions of section 214 of such Act shall  
9 apply instead of subsection (a).

10 (d) TREATMENT OF ALIENS PAROLED INTO THE  
11 UNITED STATES.—An alien who is paroled into the  
12 United States under section 212(d)(5) of the Immigration  
13 and Nationality Act for a period of less than 1 year shall  
14 be considered, for purposes of this subtitle, to be lawfully  
15 present in the United States as a nonimmigrant.

16 **SEC. 403. LIMITED ELIGIBILITY OF IMMIGRANTS FOR 5**  
17 **SPECIFIED FEDERAL PUBLIC BENEFITS PRO-**  
18 **GRAMS.**

19 (a) IN GENERAL.—Notwithstanding any other provi-  
20 sion of law and except as provided in subsection (b), any  
21 alien who is lawfully present in the United States shall  
22 not be eligible for any of the following Federal means-test-  
23 ed public benefits programs:

24 (1) SSI.—The supplemental security income  
25 program under title XVI of the Social Security Act.

1           (2) TEMPORARY ASSISTANCE FOR NEEDY FAMI-  
2           LIES.—The program of block grants to States for  
3           temporary assistance for needy families under part  
4           A of title IV of the Social Security Act.

5           (3) SOCIAL SERVICES BLOCK GRANT.—The pro-  
6           gram of block grants to States for social services  
7           under title XX of the Social Security Act.

8           (4) MEDICAID.—The program of medical assist-  
9           ance under title XIX of the Social Security Act.

10          (5) FOOD STAMPS.—The program under the  
11          Food Stamp Act of 1977.

12          (b) EXCEPTIONS.—

13               (1) TIME-LIMITED EXCEPTION FOR REFU-  
14               GEES.—Subsection (a) shall not apply to an alien  
15               admitted to the United States as a refugee under  
16               section 207 of the Immigration and Nationality Act  
17               until 5 years after the date of such alien's arrival  
18               into the United States.

19               (2) CERTAIN LONG-TERM, PERMANENT RESI-  
20               DENT, AGED ALIENS.—Subsection (a) shall not  
21               apply to an alien who—

22                       (A) has been lawfully admitted to the  
23                       United States for permanent residence;

24                       (B) is over 75 years of age; and



1 (C) has resided in the United States for at  
2 least 5 years.

3 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—  
4 Subsection (a) shall not apply to an alien who is  
5 lawfully residing in any State (or any territory or  
6 possession of the United States) and is—

7 (A) a veteran (as defined in section 101 of  
8 title 38, United States Code) with a discharge  
9 characterized as an honorable discharge,

10 (B) on active duty (other than active duty  
11 for training) in the Armed Forces of the United  
12 States, or

13 (C) the spouse or unmarried dependent  
14 child of an individual described in subparagraph  
15 (A) or (B).

16 Subparagraph (A) shall not apply in the case of a  
17 veteran who has been separated from military serv-  
18 ice on account of alienage.

19 (4) EMERGENCY ASSISTANCE.—Subsection (a)  
20 shall not apply to the provision of non-cash, in-kind  
21 emergency assistance (including emergency medical  
22 services).

23 (5) TRANSITION FOR CURRENT BENE-  
24 FICIARIES.—Subsection (a) shall not apply to the eli-  
25 gibility of an alien for a program until 1 year after

1 the date of the enactment of this Act if, on such  
2 date of enactment, the alien is lawfully residing in  
3 any State or any territory or possession of the  
4 United States and is eligible for the program.

5 (6) CERTAIN PERMANENT RESIDENT AND DIS-  
6 ABLED ALIENS.—Subsection (a) shall not apply to  
7 an alien who—

8 (A) has been lawfully admitted to the  
9 United States for permanent residence; and

10 (B) is unable because of physical or devel-  
11 opmental disability or mental impairment (in-  
12 cluding Alzheimer’s disease) to comply with the  
13 naturalization requirements of section 312(a) of  
14 the Immigration and Naturalization Act.

15 **SEC. 404. NOTIFICATION.**

16 Each Federal agency that administers a program to  
17 which section 401, 402, or 403 applies shall, directly or  
18 through the States, post information and provide general  
19 notification to the public and to program recipients of the  
20 changes regarding eligibility for any such program pursu-  
21 ant to this subtitle.

1 **Subtitle B—Eligibility for State**  
2 **and Local Public Benefits Pro-**  
3 **grams**

4 **SEC. 411. INELIGIBILITY OF ILLEGAL ALIENS FOR STATE**  
5 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

6 (a) IN GENERAL.—Notwithstanding any other provi-  
7 sion of law and except as otherwise provided in this sec-  
8 tion, no alien who is not lawfully present in the United  
9 States (as determined in accordance with regulations of  
10 the Attorney General) shall be eligible for any State  
11 means-tested public benefits program (as defined in sec-  
12 tion 431(d)(3)).

13 (b) EXCEPTION FOR EMERGENCY ASSISTANCE.—  
14 Subsection (a) shall not apply to the provision of non-cash,  
15 in-kind emergency assistance (including emergency medi-  
16 cal services).

17 **SEC. 412. INELIGIBILITY OF NONIMMIGRANTS FOR STATE**  
18 **AND LOCAL PUBLIC BENEFITS PROGRAMS.**

19 (a) IN GENERAL.—Notwithstanding any other provi-  
20 sion of law and except as otherwise provided in this sec-  
21 tion, no alien who is lawfully present in the United States  
22 as a nonimmigrant shall be eligible for any State means-  
23 tested public benefits program (as defined in section  
24 431(d)(3)).

25 (b) EXCEPTIONS.—

1           (1) EMERGENCY ASSISTANCE.—The limitations  
2           under subsection (a) shall not apply to the provision  
3           of non-cash, in-kind emergency assistance (including  
4           emergency medical services).

5           (2) ALIENS GRANTED ASYLUM.—Subsection (a)  
6           shall not apply to an alien who is granted asylum  
7           under section 208 of the Immigration and National-  
8           ity Act or whose deportation has been withheld  
9           under section 243(h) of such Act.

10          (3) TREATMENT OF TEMPORARY AGRICUL-  
11          TURAL WORKERS.—Subsection (a) shall not apply to  
12          a nonimmigrant admitted as a temporary agricul-  
13          tural worker under section 101(a)(15)(H)(ii)(a) of  
14          the Immigration and Nationality Act or as the  
15          spouse or minor child of such a worker under section  
16          101(a)(15)(H)(iii) of such Act.

17          (c) TREATMENT OF ALIENS PAROLED INTO THE  
18          UNITED STATES.—An alien who is paroled into the  
19          United States under section 212(d)(5) of the Immigration  
20          and Nationality Act for a period of less than 1 year shall  
21          be considered, for purposes of this subtitle, to be lawfully  
22          present in the United States as a nonimmigrant.

1 **SEC. 413. STATE AUTHORITY TO LIMIT ELIGIBILITY OF IM-**  
2 **MIGRANTS FOR STATE AND LOCAL MEANS-**  
3 **TESTED PUBLIC BENEFITS PROGRAMS.**

4 (a) IN GENERAL.—Notwithstanding any other provi-  
5 sion of law and except as otherwise provided in this section  
6 or section 412, a State is authorized to determine eligi-  
7 bility requirements for aliens who are lawfully present in  
8 the United States for any State means-tested public bene-  
9 fits program.

10 (b) EXCEPTIONS.—

11 (1) TIME-LIMITED EXCEPTION FOR REFU-  
12 GEES.—The authority under subsection (a) shall not  
13 apply to an alien admitted to the United States as  
14 a refugee under section 207 of the Immigration and  
15 Nationality Act until 5 years after the date of such  
16 alien’s arrival into the United States.

17 (2) CERTAIN LONG-TERM, PERMANENT RESI-  
18 DENT, AGED ALIENS.—The authority under sub-  
19 section (a) shall not apply to an alien who—

20 (A) has been lawfully admitted to the  
21 United States for permanent residence;

22 (B) is over 75 years of age; and

23 (C) has resided in the United States for at  
24 least 5 years.

25 (3) VETERAN AND ACTIVE DUTY EXCEPTION.—

26 The authority under subsection (a) shall not apply

1 to an alien who is lawfully residing in any State (or  
2 any territory or possession of the United States) and  
3 is—

4 (A) a veteran (as defined in section 101 of  
5 title 38, United States Code) with a discharge  
6 characterized as an honorable discharge,

7 (B) on active duty (other than active duty  
8 for training) in the Armed Forces of the United  
9 States, or

10 (C) the spouse or unmarried dependent  
11 child of an individual described in subparagraph  
12 (A) or (B).

13 Subparagraph (A) shall not apply in the case of a  
14 veteran who has been separated from military serv-  
15 ice on account of alienage.

16 (4) EMERGENCY ASSISTANCE.—The authority  
17 under subsection (a) shall not apply to the provision  
18 of non-cash, in-kind emergency assistance (including  
19 emergency medical services).

20 (5) TRANSITION.—The authority under sub-  
21 section (a) shall not apply to eligibility of an alien  
22 for a State means-tested public benefits program  
23 until 1 year after the date of the enactment of this  
24 Act if, on such date of enactment, the alien is law-  
25 fully present in the United States and is eligible for

1 benefits under the program. Nothing in the previous  
2 sentence is intended to address alien eligibility for  
3 such a program before the date of the enactment of  
4 this Act.

5 **Subtitle C—Attribution of Income**  
6 **and Affidavits of Support**

7 **SEC. 421. ATTRIBUTION OF SPONSOR'S INCOME AND RE-**  
8 **SOURCES TO FAMILY-SPONSORED IMMI-**  
9 **GRANTS.**

10 (a) IN GENERAL.—Notwithstanding any other provi-  
11 sion of law and except as provided in subsection (c), in  
12 determining the eligibility and the amount of benefits of  
13 an alien for any means-tested public benefits program (as  
14 defined in section 431(d)) the income and resources of the  
15 alien shall be deemed to include—

16 (1) the income and resources of any person who  
17 executed an affidavit of support pursuant to section  
18 213A of the Immigration and Nationality Act (as  
19 added by section 422) in behalf of such alien, and

20 (2) the income and resources of the spouse (if  
21 any) of the person.

22 (b) APPLICATION.—Subsection (a) shall apply with  
23 respect to an alien until such time as the alien achieves  
24 United States citizenship through naturalization pursuant

1 to chapter 2 of title III of the Immigration and National-  
2 ity Act.

3 (c) EXCEPTION FOR HOUSING-RELATED ASSIST-  
4 ANCE.—Subsection (a) shall not apply to any program for  
5 housing or community development assistance adminis-  
6 tered by the Secretary of Housing and Urban Develop-  
7 ment, any program under title V of the Housing Act of  
8 1949, or any assistance under section 306C of the Consoli-  
9 dated Farm and Rural Development Act.

10 **SEC. 422. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF**  
11 **SUPPORT.**

12 (a) IN GENERAL.—Title II of the Immigration and  
13 Nationality Act is amended by inserting after section 213  
14 the following new section:

15 “REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

16 “SEC. 213A. (a) ENFORCEABILITY.—No affidavit of  
17 support may be accepted by the Attorney General or by  
18 any consular officer to establish that an alien is not ex-  
19 cludable as a public charge under section 212(a)(4) unless  
20 such affidavit is executed as a contract—

21 “(1) which is legally enforceable against the  
22 sponsor by the Federal Government and by any  
23 State (or any political subdivision of such State)  
24 which provides any means-tested public benefits pro-  
25 gram, but not later than 10 years after the alien last  
26 receives any such benefit; and



1           “(2) in which the sponsor agrees to submit to  
2           the jurisdiction of any Federal or State court for the  
3           purpose of actions brought under subsection (e)(2).  
4   Such contract shall be enforceable with respect to benefits  
5   provided to the alien until such time as the alien achieves  
6   United States citizenship through naturalization pursuant  
7   to chapter 2 of title III.

8           “(b) FORMS.—Not later than 90 days after the date  
9   of enactment of this section, the Attorney General, in con-  
10   sultation with the Secretary of State and the Secretary  
11   of Health and Human Services, shall formulate an affida-  
12   vit of support consistent with the provisions of this sec-  
13   tion.

14          “(c) STATUTORY CONSTRUCTION.—Nothing in this  
15   section shall be construed to grant third party beneficiary  
16   rights to any sponsored alien under an affidavit of  
17   support.

18          “(d) NOTIFICATION OF CHANGE OF ADDRESS.—(1)  
19   The sponsor shall notify the Federal Government and the  
20   State in which the sponsored alien is currently resident  
21   within 30 days of any change of address of the sponsor  
22   during the period specified in subsection (a)(1).

23          “(2) Any person subject to the requirement of para-  
24   graph (1) who fails to satisfy such requirement shall be  
25   subject to a civil penalty of—

1           “(A) not less than \$250 or more than \$2,000,  
2           or

3           “(B) if such failure occurs with knowledge that  
4           the sponsored alien has received any benefit under  
5           any means-tested public benefits program, not less  
6           than \$2,000 or more than \$5,000.

7           “(e) REIMBURSEMENT OF GOVERNMENT EX-  
8 PENSES.—(1)(A) Upon notification that a sponsored alien  
9 has received any benefit under any means-tested public  
10 benefits program, the appropriate Federal, State, or local  
11 official shall request reimbursement by the sponsor in the  
12 amount of such assistance.

13           “(B) The Attorney General, in consultation with the  
14 Secretary of Health and Human Services, shall prescribe  
15 such regulations as may be necessary to carry out sub-  
16 paragraph (A).

17           “(2) If within 45 days after requesting reimburse-  
18 ment, the appropriate Federal, State, or local agency has  
19 not received a response from the sponsor indicating a will-  
20 ingness to commence payments, an action may be brought  
21 against the sponsor pursuant to the affidavit of support.

22           “(3) If the sponsor fails to abide by the repayment  
23 terms established by such agency, the agency may, within  
24 60 days of such failure, bring an action against the spon-  
25 sor pursuant to the affidavit of support.

1       “(4) No cause of action may be brought under this  
2 subsection later than 10 years after the alien last received  
3 any benefit under any means-tested public benefits pro-  
4 gram.

5       “(f) DEFINITIONS.—For the purposes of this sec-  
6 tion—

7               “(1) SPONSOR.—The term ‘sponsor’ means an  
8 individual who—

9                       “(A) is a citizen or national of the United  
10 States or an alien who is lawfully admitted to  
11 the United States for permanent residence;

12                       “(B) is 18 years of age or over; and

13                       “(C) is domiciled in any State.

14               “(2) MEANS-TESTED PUBLIC BENEFITS PRO-  
15 GRAM.—The term ‘means-tested public benefits pro-  
16 gram’ means a program of public benefits (including  
17 cash, medical, housing, and food assistance and so-  
18 cial services) of the Federal Government or of a  
19 State or political subdivision of a State in which the  
20 eligibility of an individual, household, or family eligi-  
21 bility unit for benefits under the program, or the  
22 amount of such benefits, or both are determined on  
23 the basis of income, resources, or financial need of  
24 the individual, household, or unit.”.

1 (b) CLERICAL AMENDMENT.—The table of contents  
2 of such Act is amended by inserting after the item relating  
3 to section 213 the following:

“Sec. 213A. Requirements for sponsor’s affidavit of support.”.

4 (c) EFFECTIVE DATE.—Subsection (a) of section  
5 213A of the Immigration and Nationality Act, as inserted  
6 by subsection (a) of this section, shall apply to affidavits  
7 of support executed on or after a date specified by the  
8 Attorney General, which date shall be not earlier than 60  
9 days (and not later than 90 days) after the date the Attor-  
10 ney General formulates the form for such affidavits under  
11 subsection (b) of such section.

## 12 **Subtitle D—General Provisions**

### 13 **SEC. 431. DEFINITIONS.**

14 (a) IN GENERAL.—Except as otherwise provided in  
15 this section, the terms used in this title have the same  
16 meaning given such terms in section 101(a) of the Immi-  
17 gration and Nationality Act.

18 (b) LAWFUL PRESENCE.—For purposes of this title,  
19 the determination of whether an alien is lawfully present  
20 in the United States shall be made in accordance with reg-  
21 ulations of the Attorney General. An alien shall not be  
22 considered to be lawfully present in the United States for  
23 purposes of this title merely because the alien may be con-  
24 sidered to be permanently residing in the United States  
25 under color of law for purposes of any particular program.

1 (c) STATE.—As used in this title, the term “State”  
2 includes the District of Columbia, Puerto Rico, the Virgin  
3 Islands, Guam, the Northern Mariana Islands, and Amer-  
4 ican Samoa.

5 (d) PUBLIC BENEFITS PROGRAMS.—As used in this  
6 title—

7 (1) MEANS-TESTED PROGRAM.—The term  
8 “means-tested public benefits program” means a  
9 program of public benefits (including cash, medical,  
10 housing, and food assistance and social services) of  
11 the Federal Government or of a State or political  
12 subdivision of a State in which the eligibility of an  
13 individual, household, or family eligibility unit for  
14 benefits under the program, or the amount of such  
15 benefits, or both are determined on the basis of in-  
16 come, resources, or financial need of the individual,  
17 household, or unit.

18 (2) FEDERAL MEANS-TESTED PUBLIC BENE-  
19 FITS PROGRAM.—The term “Federal means-tested  
20 public benefits program” means a means-tested pub-  
21 lic benefits program of (or contributed to by) the  
22 Federal Government and under which the Federal  
23 Government has specified standards for eligibility  
24 and includes the programs specified in section  
25 403(a).

1           (3) STATE MEANS-TESTED PUBLIC BENEFITS  
2 PROGRAM.—The term “State means-tested public  
3 benefits program” means a means-tested public ben-  
4 efits program of a State or political subdivision of a  
5 State under which the State or political subdivision  
6 specifies the standards for eligibility, and does not  
7 include any Federal means-tested public benefits  
8 program.

9 **SEC. 432. CONSTRUCTION.**

10       Nothing in this title shall be construed as addressing  
11 alien eligibility for governmental programs that are not  
12 means-tested public benefits programs.

13                           **Subtitle E—Conforming**  
14                           **Amendments**

15 **SEC. 441. CONFORMING AMENDMENTS RELATING TO AS-**  
16                           **SISTED HOUSING.**

17       (a) LIMITATIONS ON ASSISTANCE.—Section 214 of  
18 the Housing and Community Development Act of 1980  
19 (42 U.S.C. 1436a) is amended—

20           (1) by striking “Secretary of Housing and  
21 Urban Development” each place it appears and in-  
22 serting “applicable Secretary”;

23           (2) in subsection (b), by inserting after “Na-  
24 tional Housing Act,” the following: “the direct loan  
25 program under section 502 of the Housing Act of

1 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or  
2 542 of such Act, subtitle A of title III of the Cran-  
3 ston-Gonzalez National Affordable Housing Act,”;

4 (3) in paragraphs (2) through (6) of subsection  
5 (d), by striking “Secretary” each place it appears  
6 and inserting “applicable Secretary”;

7 (4) in subsection (d), in the matter following  
8 paragraph (6), by striking “the term ‘Secretary’”  
9 and inserting “the term ‘applicable Secretary’”; and

10 (5) by adding at the end the following new sub-  
11 section:

12 “(h) For purposes of this section, the term ‘applicable  
13 Secretary’ means—

14 “(1) the Secretary of Housing and Urban De-  
15 velopment, with respect to financial assistance ad-  
16 ministered by such Secretary and financial assist-  
17 ance under subtitle A of title III of the Cranston-  
18 Gonzalez National Affordable Housing Act; and

19 “(2) the Secretary of Agriculture, with respect  
20 to financial assistance administered by such Sec-  
21 retary.”.

22 (b) CONFORMING AMENDMENTS.—Section 501(h) of  
23 the Housing Act of 1949 (42 U.S.C. 1471(h)) is  
24 amended—

25 (1) by striking “(1)”;

1 (2) by striking “by the Secretary of Housing  
2 and Urban Development”; and

3 (3) by striking paragraph (2).

4 **TITLE V—FOOD STAMP REFORM**  
5 **AND COMMODITY DISTRIBUTION**

6 **SEC. 501. SHORT TITLE.**

7 This title may be cited as the “Food Stamp Reform  
8 and Commodity Distribution Act”.

9 **Subtitle A—Commodity**  
10 **Distribution Provisions**

11 **SEC. 511. SHORT TITLE.**

12 This subtitle may be cited as the “Commodity Dis-  
13 tribution Act of 1995”.

14 **SEC. 512. AVAILABILITY OF COMMODITIES.**

15 (a) Notwithstanding any other provision of law, the  
16 Secretary of Agriculture (hereinafter in this subtitle re-  
17 ferred to as the “Secretary”) is authorized during fiscal  
18 years 1996 through 2000 to purchase a variety of nutri-  
19 tious and useful commodities and distribute such commod-  
20 ities to the States for distribution in accordance with this  
21 subtitle.

22 (b) In addition to the commodities described in sub-  
23 section (a), the Secretary may expend funds made avail-  
24 able to carry out section 32 of the Act of August 24, 1935  
25 (7 U.S.C. 612c), which are not expended or needed to



1 carry out such sections, to purchase, process, and distrib-  
2 ute commodities of the types customarily purchased under  
3 such section to the States for distribution in accordance  
4 with this subtitle.

5 (c) In addition to the commodities described in sub-  
6 sections (a) and (b), agricultural commodities and the  
7 products thereof made available under clause (2) of the  
8 second sentence of section 32 of the Act of August 24,  
9 1935 (7 U.S.C. 612c), may be made available by the Sec-  
10 retary to the States for distribution in accordance with  
11 this subtitle.

12 (d) In addition to the commodities described in sub-  
13 sections (a), (b), and (c), commodities acquired by the  
14 Commodity Credit Corporation that the Secretary deter-  
15 mines, in the discretion of the Secretary, are in excess of  
16 quantities need to—

17 (1) carry out other domestic donation pro-  
18 grams;

19 (2) meet other domestic obligations;

20 (3) meet international market development and  
21 food aid commitments; and

22 (4) carry out the farm price and income sta-  
23 bilization purposes of the Agricultural Adjustment  
24 Act of 1938, the Agricultural Act of 1949, and the  
25 Commodity Credit Corporation Charter Act;

1 shall be made available by the Secretary, without charge  
2 or credit for such commodities, to the States for distribu-  
3 tion in accordance with this subtitle.

4 (e) During each fiscal year, the types, varieties, and  
5 amounts of commodities to be purchased under this sub-  
6 title shall be determined by the Secretary. In purchasing  
7 such commodities, except those commodities purchased  
8 pursuant to section 520, the Secretary shall, to the extent  
9 practicable and appropriate, make purchases based on—

10 (1) agricultural market conditions;

11 (2) the preferences and needs of States and dis-  
12 tributing agencies; and

13 (3) the preferences of the recipients.

14 **SEC. 513. STATE, LOCAL AND PRIVATE SUPPLEMENTATION**  
15 **OF COMMODITIES.**

16 (a) The Secretary shall establish procedures under  
17 which State and local agencies, recipient agencies, or any  
18 other entity or person may supplement the commodities  
19 distributed under this subtitle for use by recipient agencies  
20 with nutritious and wholesome commodities that such en-  
21 tities or persons donate for distribution, in all or part of  
22 the State, in addition to the commodities otherwise made  
23 available under this subtitle.

24 (b) States and eligible recipient agencies may use—

1           (1) the funds appropriated for administrative  
2 cost under section 519(b);

3           (2) equipment, structures, vehicles, and all  
4 other facilities involved in the storage, handling, or  
5 distribution of commodities made available under  
6 this subtitle; and

7           (3) the personnel, both paid or volunteer, in-  
8 volved in such storage, handling, or distribution;  
9 to store, handle or distribute commodities donated for use  
10 under subsection (a).

11          (c) States and recipient agencies shall continue, to  
12 the maximum extent practical, to use volunteer workers,  
13 and commodities and other foodstuffs donated by chari-  
14 table and other organizations, in the distribution of com-  
15 modities under this subtitle.

16 **SEC. 514. STATE PLAN.**

17          (a) A State seeking to receive commodities under this  
18 subtitle shall submit a plan of operation and administra-  
19 tion every four years to the Secretary for approval. The  
20 plan may be amended at any time, with the approval of  
21 the Secretary.

22          (b) The State plan, at a minimum, shall—

23               (1) designate the State agency responsible for  
24 distributing the commodities received under this sub-  
25 title;

1           (2) set forth a plan of operation and adminis-  
2           tration to expeditiously distribute commodities under  
3           this subtitle in quantities requested to eligible recipi-  
4           ent agencies in accordance with sections 516 and  
5           520;

6           (3) set forth the standards of eligibility for re-  
7           cipient agencies; and

8           (4) set forth the standards of eligibility for indi-  
9           vidual or household recipients of commodities, which  
10          at minimum shall require—

11                 (A) individuals or households to be com-  
12                 prised of needy persons; and

13                 (B) individual or household members to be  
14                 residing in the geographic location served by  
15                 the distributing agency at the time of applica-  
16                 tion for assistance.

17          (c) The Secretary shall encourage each State receiv-  
18          ing commodities under this subtitle to establish a State  
19          advisory board consisting of representatives of all inter-  
20          ested entities, both public and private, in the distribution  
21          of commodities received under this subtitle in the State.

22          (d) A State agency receiving commodities under this  
23          subtitle may—

24                 (1)(A) enter into cooperative agreements with  
25                 State agencies of other States to jointly provide

1 commodities received under this subtitle to eligible  
2 recipient agencies that serve needy persons in a sin-  
3 gle geographical area which includes such States; or

4 (B) transfer commodities received under this  
5 subtitle to any such eligible recipient agency in the  
6 other State under such agreement; and

7 (2) advise the Secretary of an agreement en-  
8 tered into under this subsection and the transfer of  
9 commodities made pursuant to such agreement.

10 **SEC. 515. ALLOCATION OF COMMODITIES TO STATES.**

11 (a) In each fiscal year, except for those commodities  
12 purchased under section 520, the Secretary shall allocate  
13 the commodities distributed under this subtitle as follows:

14 (1) 60 percent of the such total value of com-  
15 modities shall be allocated in a manner such that the  
16 value of commodities allocated to each State bears  
17 the same ratio to 60 percent of such total value as  
18 the number of persons in households within the  
19 State having incomes below the poverty line bears to  
20 the total number of persons in households within all  
21 States having incomes below such poverty line. Each  
22 State shall receive the value of commodities allocated  
23 under this paragraph.

24 (2) 40 percent of such total value of commod-  
25 ities shall be allocated in a manner such that the

1 value of commodities allocated to each State bears  
2 the same ratio to 40 percent of such total value as  
3 the average monthly number of unemployed persons  
4 within the State bears to the average monthly num-  
5 ber of unemployed persons within all States during  
6 the same fiscal year. Each State shall receive the  
7 value of commodities allocated to the State under  
8 this paragraph.

9 (b)(1) The Secretary shall notify each State of the  
10 amount of commodities that such State is allotted to re-  
11 ceive under subsection (a) or this subsection, if applicable.  
12 Each State shall promptly notify the Secretary if such  
13 State determines that it will not accept any or all of the  
14 commodities made available under such allocation. On  
15 such a notification by a State, the Secretary shall reallo-  
16 cate and distribute such commodities as the Secretary  
17 deems appropriate and equitable. The Secretary shall fur-  
18 ther establish procedures to permit States to decline to  
19 receive portions of such allocation during each fiscal year  
20 as the State determines is appropriate and the Secretary  
21 shall reallocate and distribute such allocation as the Sec-  
22 retary deems appropriate and equitable.

23 (2) In the event of any drought, flood, hurricane, or  
24 other natural disaster affecting substantial numbers of  
25 persons in a State, county, or parish, the Secretary may

1 request that States unaffected by such a disaster consider  
2 assisting affected States by allowing the Secretary to re-  
3 allocate commodities from such unaffected State to States  
4 containing areas adversely affected by the disaster.

5 (c) Purchases of commodities under this subtitle shall  
6 be made by the Secretary at such times and under such  
7 conditions as the Secretary determines appropriate within  
8 each fiscal year. All commodities so purchased for each  
9 such fiscal year shall be delivered at reasonable intervals  
10 to States based on the allocations and reallocations made  
11 under subsections (a) and (b), and or carry out section  
12 520, not later than December 31 of the following fiscal  
13 year.

14 **SEC. 516. PRIORITY SYSTEM FOR STATE DISTRIBUTION OF**  
15 **COMMODITIES.**

16 (a) In distributing the commodities allocated under  
17 subsections (a) and (b) of section 515, the State agency,  
18 under procedures determined by the State agency, shall  
19 offer, or otherwise make available, its full allocation of  
20 commodities for distribution to emergency feeding organi-  
21 zations.

22 (b) If the State agency determines that the State will  
23 not exhaust the commodities allocated under subsections  
24 (a) and (b) of section 515 through distribution to organi-  
25 zations referred to in subsection (a), its remaining alloca-

1 tion of commodities shall be distributed to charitable insti-  
2 tutions described in section 523(3) not receiving commod-  
3 ities under subsection (a).

4 (c) If the State agency determines that the State will  
5 not exhaust the commodities allocated under subsections  
6 (a) and (b) of section 515 through distribution to organi-  
7 zations referred to in subsections (a) and (b), its remain-  
8 ing allocation of commodities shall be distributed to any  
9 eligible recipient agency not receiving commodities under  
10 subsections (a) and (b).

11 **SEC. 517. INITIAL PROCESSING COSTS.**

12 The Secretary may use funds of the Commodity  
13 Credit Corporation to pay the costs of initial processing  
14 and packaging of commodities to be distributed under this  
15 subtitle into forms and in quantities suitable, as deter-  
16 mined by the Secretary, for use by the individual house-  
17 holds or eligible recipient agencies, as applicable. The Sec-  
18 retary may pay such costs in the form of Corporation-  
19 owned commodities equal in value to such costs. The Sec-  
20 retary shall ensure that any such payments in kind will  
21 not displace commercial sales of such commodities.

22 **SEC. 518. ASSURANCES; ANTICIPATED USE.**

23 (a) The Secretary shall take such precautions as the  
24 Secretary deems necessary to ensure that commodities  
25 made available under this subtitle will not displace com-



1 merical sales of such commodities or the products thereof.  
2 The Secretary shall submit to the Committee on Agri-  
3 culture of the House of Representatives and the Commit-  
4 tee on Agriculture, Nutrition, and Forestry of the Senate  
5 by December 31, 1997, and not less than every two years  
6 thereafter, a report as to whether and to what extent such  
7 displacements or substitutions are occurring.

8 (b) The Secretary shall determine that commodities  
9 provided under this subtitle shall be purchased and dis-  
10 tributed only in quantities that can be consumed without  
11 waste. No eligible recipient agency may receive commod-  
12 ities under this subtitle in excess of anticipated use, based  
13 on inventory records and controls, or in excess of its ability  
14 to accept and store such commodities.

15 **SEC. 519. AUTHORIZATION OF APPROPRIATIONS.**

16 (a) PURCHASE OF COMMODITIES.—To carry out this  
17 subtitle, there are authorized to be appropriated  
18 \$260,000,000 for each of the fiscal years 1996 through  
19 2000 to purchase, process, and distribute commodities to  
20 the States in accordance with this subtitle.

21 (b) ADMINISTRATIVE FUNDS.—

22 (1) There are authorized to be appropriated  
23 \$40,000,000 for each of the fiscal years 1996  
24 through 2000 for the Secretary to make available to  
25 the States for State and local payments for costs as-

1       sociated with the distribution of commodities by eli-  
2       gible recipient agencies under this subtitle, excluding  
3       costs associated with the distribution of those com-  
4       modities distributed under section 520. Funds ap-  
5       propriated under this paragraph for any fiscal year  
6       shall be allocated to the States on an advance basis  
7       dividing such funds among the States in the same  
8       proportions as the commodities distributed under  
9       this subtitle for such fiscal year are allocated among  
10      the States. If a State agency is unable to use all of  
11      the funds so allocated to it, the Secretary shall re-  
12      allocate such unused funds among the other States  
13      in a manner the Secretary deems appropriate and  
14      equitable.

15           (2)(A) A State shall make available in each fis-  
16      cal year to eligible recipient agencies in the State  
17      not less than 40 percent of the funds received by the  
18      State under paragraph (1) for such fiscal year, as  
19      necessary to pay for, or provide advance payments  
20      to cover, the allowable expenses of eligible recipient  
21      agencies for distributing commodities to needy per-  
22      sons, but only to the extent such expenses are actu-  
23      ally so incurred by such recipient agencies.

24           (B) As used in this paragraph, the term “allow-  
25      able expenses” includes—

1 (i) costs of transporting, storing, handling,  
2 repackaging, processing, and distributing com-  
3 modities incurred after such commodities are  
4 received by eligible recipient agencies;

5 (ii) costs associated with determinations of  
6 eligibility, verification, and documentation;

7 (iii) costs of providing information to per-  
8 sons receiving commodities under this subtitle  
9 concerning the appropriate storage and prepa-  
10 ration of such commodities; and

11 (iv) costs of recordkeeping, auditing, and  
12 other administrative procedures required for  
13 participation in the program under this subtitle.

14 (C) If a State makes a payment, using State  
15 funds, to cover allowable expenses of eligible recipi-  
16 ent agencies, the amount of such payment shall be  
17 counted toward the amount a State must make  
18 available for allowable expenses of recipient agencies  
19 under this paragraph.

20 (3) States to which funds are allocated for a  
21 fiscal year under this subsection shall submit finan-  
22 cial reports to the Secretary, on a regular basis, as  
23 to the use of such funds. No such funds may be  
24 used by States or eligible recipient agencies for costs  
25 other than those involved in covering the expenses

1 related to the distribution of commodities by eligible  
2 recipient agencies.

3 (4)(A) Except as provided in subparagraph (B),  
4 to be eligible to receive funds under this subsection,  
5 a State shall provide in cash or in kind (according  
6 to procedures approved by the Secretary for certify-  
7 ing these in-kind contributions) from non-Federal  
8 sources a contribution equal to the difference be-  
9 tween—

10 (i) the amount of such funds so received;

11 and

12 (ii) any part of the amount allocated to the  
13 State and paid by the State—

14 (I) to eligible recipient agencies; or

15 (II) for the allowable expenses of such  
16 recipient agencies; for use in carrying out  
17 this subtitle.

18 (B) Funds allocated to a State under this sec-  
19 tion may, upon State request, be allocated before  
20 States satisfy the matching requirement specified in  
21 subparagraph (A), based on the estimated contribu-  
22 tion required. The Secretary shall periodically rec-  
23 oncile estimated and actual contributions and adjust  
24 allocations to the State to correct for overpayments  
25 and underpayments.

1 (C) Any funds distributed for administrative  
2 costs under section 520(b) shall not be covered by  
3 this paragraph.

4 (5) States may not charge for commodities  
5 made available to eligible recipient agencies, and  
6 may not pass on to such recipient agencies the cost  
7 of any matching requirements, under this subtitle.

8 (c) The value of the commodities made available  
9 under subsections (c) and (d) of section 512, and the  
10 funds of the Commodity Credit Corporation used to pay  
11 the costs of initial processing, packaging (including forms  
12 suitable for home use), and delivering commodities to the  
13 States shall not be charged against appropriations author-  
14 ized by this section.

15 **SEC. 520. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

16 (a) From the funds appropriated under section  
17 519(a), \$94,500,000 shall be used for each fiscal year to  
18 purchase and distribute commodities to supplemental feed-  
19 ing programs serving woman, infants, and children or el-  
20 derly individuals (hereinafter in this section referred to as  
21 the “commodity supplemental food program”), or serving  
22 both groups wherever located.

23 (b) Not more than 20 percent of the funds made  
24 available under subsection (a) shall be made available to  
25 the States for State and local payments of administrative

1 costs associated with the distribution of commodities by  
2 eligible recipient agencies under this section. Administra-  
3 tive costs for the purposes of the commodity supplemental  
4 food program shall include, but not be limited to, expenses  
5 for information and referral, operation, monitoring, nutri-  
6 tion education, start-up costs, and general administration,  
7 including staff, warehouse and transportation personnel,  
8 insurance, and administration of the State or local office.

9 (c)(1) During each fiscal year the commodity supple-  
10 mental food program is in operation, the types, varieties,  
11 and amounts of commodities to be purchased under this  
12 section shall be determined by the Secretary, but, if the  
13 Secretary proposes to make any significant changes in the  
14 types, varieties, or amounts from those that were available  
15 or were planned at the beginning of the fiscal year the  
16 Secretary shall report such changes before implementation  
17 to the Committee on Agriculture of the House of Rep-  
18 resentatives and the Committee on Agriculture, Nutrition,  
19 and Forestry of the Senate.

20 (2) Notwithstanding any other provision of law, the  
21 Commodity Credit Corporation shall, to the extent that  
22 the Commodity Credit Corporation inventory levels per-  
23 mit, provide not less than 9,000,000 pounds of cheese and  
24 not less than 4,000,000 pounds of nonfat dry milk in each  
25 of the fiscal years 1996 through 2000 to the Secretary.

1 The Secretary shall use such amounts of cheese and non-  
2 fat dry milk to carry out the commodity supplemental food  
3 program before the end of each fiscal year.

4 (d) The Secretary shall, in each fiscal year, approve  
5 applications of additional sites for the program, including  
6 sites that serve only elderly persons, in areas in which the  
7 program currently does not operate, to the full extent that  
8 applications can be approved within the appropriations  
9 available for the program for the fiscal year and without  
10 reducing actual participation levels (including participa-  
11 tion of elderly persons under subsection (e)) in areas in  
12 which the program is in effect.

13 (e) If a local agency that administers the commodity  
14 supplemental food program determines that the amount  
15 of funds made available to the agency to carry out this  
16 section exceeds the amount of funds necessary to provide  
17 assistance under such program to women, infants, and  
18 children, the agency, with the approval of the Secretary,  
19 may permit low-income elderly persons (as defined by the  
20 Secretary) to participate in and be served by such pro-  
21 gram.

22 (f)(1) If it is necessary for the Secretary to pay a  
23 significantly higher than expected price for one or more  
24 types of commodities purchased under this section, the  
25 Secretary shall promptly determine whether the price is

1 likely to cause the number of persons that can be served  
2 in the program in a fiscal year to decline.

3 (2) If the Secretary determines that such a decline  
4 would occur, the Secretary shall promptly notify the State  
5 agencies charged with operating the program of the de-  
6 cline and shall ensure that a State agency notify all local  
7 agencies operating the program in the State of the decline.

8 (g) Commodities distributed to States pursuant to  
9 this section shall not be considered in determining the  
10 commodity allocation to each State under section 515 or  
11 priority of distribution under section 516.

12 **SEC. 521. COMMODITIES NOT INCOME.**

13 Notwithstanding any other provision of law, commod-  
14 ities distributed under this subtitle shall not be considered  
15 income or resources for purposes of determining recipient  
16 eligibility under any Federal, State, or local means-tested  
17 program.

18 **SEC. 522. PROHIBITION AGAINST CERTAIN STATE**  
19 **CHARGES.**

20 Whenever a commodity is made available without  
21 charge or credit under this subtitle by the Secretary for  
22 distribution within the States to eligible recipient agencies,  
23 the State may not charge recipient agencies any amount  
24 that is in excess of the State's direct costs of storing, and  
25 transporting to recipient agencies the commodities minus



1 any amount the Secretary provides the State for the costs  
2 of storing and transporting such commodities.

3 **SEC. 523. DEFINITIONS.**

4 As used in this subtitle:

5 (1) The term “average monthly number of un-  
6 employed persons” means the average monthly num-  
7 ber of unemployed persons within a State in the  
8 most recent fiscal year for which such information is  
9 available as determined by the Bureau of Labor Sta-  
10 tistics of the Department of Labor.

11 (2) The term “elderly persons” means individ-  
12 uals 60 years of age or older.

13 (3) The term “eligible recipient agency” means  
14 a public or nonprofit organization that admin-  
15 isters—

16 (A) an institution providing commodities to  
17 supplemental feeding programs serving women,  
18 infants, and children or serving elderly persons,  
19 or serving both groups;

20 (B) an emergency feeding organization;

21 (C) a charitable institution (including a  
22 hospital and a retirement home, but excluding  
23 a penal institution) to the extent that such in-  
24 stitution serves needy persons;

1 (D) a summer camp for children, or a  
2 child nutrition program providing food service;

3 (E) a nutrition project operating under the  
4 Older Americans Act of 1965, including such  
5 project that operates a congregate nutrition site  
6 and a project that provides home-delivered  
7 meals; or

8 (F) a disaster relief program; and that has  
9 been designated by the appropriate State agen-  
10 cy, or by the Secretary, and approved by the  
11 Secretary for participation in the program es-  
12 tablished under this subtitle.

13 (4) The term “emergency feeding organization”  
14 means a public or nonprofit organization that ad-  
15 ministers activities and projects (including the activi-  
16 ties and projects of a charitable institution, a food  
17 bank, a food pantry, a hunger relief center, a soup  
18 kitchen, or a similar public or private nonprofit eligi-  
19 ble recipient agency) providing nutrition assistance  
20 to relieve situations of emergency and distress  
21 through the provision of food to needy persons, in-  
22 cluding low-income and unemployed persons.

23 (5) The term “food bank” means a public and  
24 charitable institution that maintains an established  
25 operation involving the provision of food or edible

1 commodities, or the products thereof, to food pan-  
2 tries, soup kitchens, hunger relief centers, or other  
3 food or feeding centers that, as an integral part of  
4 their normal activities, provide meals or food to feed  
5 needy persons on a regular basis.

6 (6) The term “food pantry” means a public or  
7 private nonprofit organization that distributes food  
8 to low-income and unemployed households, including  
9 food from sources other than the Department of Ag-  
10 riculture, to relieve situations of emergency and dis-  
11 tress.

12 (7) The term “needy persons” means—

13 (A) individuals who have low incomes or  
14 who are unemployed, as determined by the  
15 State (in no event shall the income of such indi-  
16 vidual or household exceed 185% of the poverty  
17 line);

18 (B) households certified as eligible to par-  
19 ticipate in the food stamp program under the  
20 Food Stamp Act of 1977 (7 U.S.C. 2011 et  
21 seq.); or

22 (C) individuals or households participating  
23 in any other Federal, or Federally assisted,  
24 means-tested program.

1           (8) The term “poverty line” has the same  
2 meaning given such term in section 673(2) of the  
3 Community Services Block Grant Act (42 U.S.C.  
4 9902(2)).

5           (9) The term “soup kitchen” means a public  
6 and charitable institution that, as integral part of its  
7 normal activities, maintains an established feeding  
8 operation to provide food to needy homeless persons  
9 on a regular basis.

10 **SEC. 524. REGULATIONS.**

11           (a) The Secretary shall issue regulations within 120  
12 days to implement this subtitle.

13           (b) In administering this subtitle, the Secretary shall  
14 minimize, to the maximum extent practicable, the regu-  
15 latory, recordkeeping, and paperwork requirements im-  
16 posed on eligible recipient agencies.

17           (c) The Secretary shall as early as feasible but not  
18 later than the beginning of each fiscal year, publish in the  
19 Federal Register a nonbinding estimate of the types and  
20 quantities of commodities that the Secretary anticipates  
21 are likely to be made available under the commodity dis-  
22 tribution program under this subtitle during the fiscal  
23 year.

24           (d) The regulations issued by the Secretary under  
25 this section shall include provisions that set standards

1 with respect to liability for commodity losses for the com-  
2 modities distributed under this subtitle in situations in  
3 which there is no evidence of negligence or fraud, and con-  
4 ditions for payment to cover such losses. Such provisions  
5 shall take into consideration the special needs and cir-  
6 cumstances of eligible recipient agencies.

7 **SEC. 525. FINALITY OF DETERMINATIONS.**

8 Determinations made by the Secretary under this  
9 subtitle and the facts constituting the basis for any dona-  
10 tion of commodities under this subtitle, or the amount  
11 thereof, when officially determined in conformity with the  
12 applicable regulations prescribed by the Secretary, shall  
13 be final and conclusive and shall not be reviewable by any  
14 other officer or agency of the Government.

15 **SEC. 526. SALE OF COMMODITIES PROHIBITED.**

16 Except as otherwise provided in section 517, none of  
17 the commodities distributed under this subtitle shall be  
18 sold or otherwise disposed of in commercial channels in  
19 any form.

20 **SEC. 527. SETTLEMENT AND ADJUSTMENT OF CLAIMS.**

21 (a) The Secretary, or a designee of the Secretary,  
22 shall have the authority to—

23 (1) determine the amount of, settle, and adjust  
24 any claim arising under this subtitle; and

1           (2) waive such a claim if the Secretary deter-  
2           mines that to do so will serve the purposes of this  
3           subtitle.

4           (b) Nothing contained in this section shall be con-  
5           strued to diminish the authority of the Attorney General  
6           of the United States under section 516 of title 28, United  
7           States Code, to conduct litigation on behalf of the United  
8           States.

9           **SEC. 528. REPEALERS; AMENDMENTS.**

10          (a) The Emergency Food Assistance Act of 1983 (7  
11          U.S.C. 612c note) is repealed.

12          (b) AMENDMENTS.—

13               (1) The Hunger Prevention Act of 1988 (7  
14               U.S.C. 612c note) is amended—

15                       (A) by striking section 110;

16                       (B) by striking subtitle C of title II; and

17                       (C) by striking section 502.

18               (2) The Commodity Distribution Reform Act  
19               and WIC Amendments of 1987 (7 U.S.C. 612c note)  
20               is amended by striking section 4.

21               (3) The Charitable Assistance and Food Bank  
22               Act of 1987 (7 U.S.C. 612c note) is amended by  
23               striking section 3.

24               (4) The Food Security Act of 1985 (7 U.S.C.  
25               612c note) is amended—

1 (A) by striking section 1571; and

2 (B) in section 1562(d), by striking “sec-  
3 tion 4 of the Agricultural and Consumer Pro-  
4 tection Act of 1973” and inserting “section 110  
5 of the Commodity Distribution Act of 1995”.

6 (5) The Agricultural and Consumer Protection  
7 Act of 1973 (7 U.S.C. 612c note) is amended—

8 (A) in section 4(a), by striking “institu-  
9 tions (including hospitals and facilities caring  
10 for needy infants and children), supplemental  
11 feeding programs serving women, infants and  
12 children or elderly persons, or both, wherever  
13 located, disaster areas, summer camps for chil-  
14 dren” and inserting “disaster areas”;

15 (B) in subsection 4(c), by striking “the  
16 Emergency Food Assistance Act of 1983” and  
17 inserting “the Commodity Distribution Act of  
18 1995”; and

19 (C) by striking section 5.

20 (6) The Food, Agriculture, Conservation, and  
21 Trade Act of 1990 (7 U.S.C. 612c note) is amended  
22 by striking section 1773(f).

1       **Subtitle B—Simplification and**  
2       **Reform of Food Stamp Program**

3       **SEC. 531. SHORT TITLE.**

4           This subtitle may be cited as the “Food Stamp Sim-  
5       plification and Reform Act of 1995”.

6       **CHAPTER 1—SIMPLIFIED FOOD STAMP**  
7       **PROGRAM AND STATE ASSISTANCE**  
8       **FOR NEEDY FAMILIES**

9       **SEC. 541. ESTABLISHMENT OF SIMPLIFIED FOOD STAMP**  
10           **PROGRAM.**

11           Section 4(a) of the Food Stamp Act of 1977 (7  
12       U.S.C. 2013(a)) is amended—

13           (1) by inserting “(1)” after “(a)”; and

14           (3) by adding at the end the following new  
15       paragraph:

16           “(2) At the request of the State agency, a State may  
17       operate a program, as provided in section 24, within the  
18       State or any political subdivisions within the State in  
19       which households with one or more members receiving reg-  
20       ular cash benefits under the program established by the  
21       State under the Temporary Assistance for Needy Families  
22       Block Grant will be issued food stamp benefits in accord-  
23       ance with the rules and procedures established—

24           “(A) by the State under the Temporary Assist-  
25       ance for Needy Families Block Grant or this Act; or



1 “(B) under the food stamp program.”.

2 **SEC. 542. SIMPLIFIED FOOD STAMP PROGRAM.**

3 (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et  
4 seq.) is amended by adding the following new section:

5 **“SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

6 “(a) If a State elects to operate a program under sec-  
7 tion 4(a)(2) within the State or any political subdivision  
8 within the State—

9 “(1) households in which all members receive  
10 regular cash benefits under the program established  
11 by the State under the Temporary Assistance for  
12 Needy Families Block Grant shall be automatically  
13 eligible to participate in the food stamp program;  
14 and

15 “(2) benefits under such program shall be de-  
16 termined under the rules and procedures established  
17 by the State or political subdivision under the Tem-  
18 porary Assistance for Needy Families Block Grant  
19 or under the food stamp program, subject to sub-  
20 section (g).

21 “(b) In approving a State plan to carry out a pro-  
22 gram under section 4(a)(2), the Secretary shall certify  
23 that the average level of food stamp benefits per household  
24 participating in the program under such section for the  
25 State or political subdivision in which such program is in

1 operation is not expected to exceed the average level of  
2 food stamp benefits per household that received benefits  
3 under the program established by a State under part A  
4 of title IV of the Social Security Act (42 U.S.C. 601 et  
5 seq.) in such area in the preceding fiscal year, adjusted  
6 for any changes in the thrifty food plan under section 3(o).  
7 The Secretary shall compute the permissible average level  
8 of food stamp benefits per household each year for each  
9 State or political subdivision in which such program is in  
10 operation and may require a State to report any informa-  
11 tion necessary to make such computation.

12       “(c) When the Secretary determines that the average  
13 level of food stamp benefits per household provided by the  
14 State or political subdivision under such program has ex-  
15 ceeded the permissible average level of food stamp benefits  
16 per household for the State or political subdivision in  
17 which the program was in operation, the State or political  
18 subdivision shall pay to the Treasury of the United States  
19 the value of the food stamp benefits in excess of the per-  
20 missible average level of food stamp benefits per household  
21 in the State or political subdivision within 90 days after  
22 the notification of such excess payments.

23       “(d)(1) A household against which a penalty is im-  
24 posed (including a reduction in benefits or disqualifica-  
25 tion) for noncompliance with the program established by

1 the State under the Temporary Assistance for Needy  
2 Families Block Grant may have the same penalty imposed  
3 against it (including a reduction in benefits or disqualifica-  
4 tion) in the program administered under this section.

5       “(2) If the penalty for noncompliance with the pro-  
6 gram established by the State under the Temporary As-  
7 sistance for Needy Families block grant is a reduction in  
8 benefits in such program, the household shall not receive  
9 an increased allotment under the program administered  
10 under this section as a result of a decrease in the house-  
11 hold’s income (as determined by the State under this sec-  
12 tion) caused by such penalty.

13       “(3) Any household disqualified from the program  
14 administered under this subsection may, after such dis-  
15 qualification period has expired, apply for food stamp ben-  
16 efits under this Act and shall be treated as a new appli-  
17 cant.

18       “(e) If a State or political subdivision, at its option,  
19 operates a program under section 4(a)(2) for households  
20 that include any member who does not receive regular  
21 cash benefits under the program established by the State  
22 under the Temporary Assistance for Needy Families Block  
23 Grant, the Secretary shall ensure that the State plan pro-  
24 vides that household eligibility shall be determined under  
25 this Act, benefits may be determined under the rules and

1 procedures established by the State under the Temporary  
2 Assistance for Needy Families Block Grant or this Act,  
3 and benefits provided under this section shall be equitably  
4 distributed among all household members.

5 “(f)(1) Under the program operated under section  
6 4(a)(2), the State may elect to provide cash assistance in  
7 lieu of allotments to all households that include a member  
8 who is employed and whose employment produces for the  
9 benefit of the member’s household income that satisfies  
10 the requirements of paragraph (2).

11 “(2) The State, in electing to provide cash assistance  
12 under paragraph (1), at a minimum shall require that  
13 such earned income is—

14 “(A) not less than \$350 per month;

15 “(B) earned from employment provided by a  
16 nongovernmental employer, as determined by the  
17 State; and

18 “(C) received from the same employer for a pe-  
19 riod of employment of not less than 3 consecutive  
20 months.

21 “(3) If a State that makes the election described in  
22 paragraph (1) identifies each household that receives cash  
23 assistance under this subsection—

24 “(A) the Secretary shall pay to the State an  
25 amount equal to the value of the allotment that such

1 household would be eligible to receive under this sec-  
2 tion but for the operation of this subsection;

3 “(B) the State shall provide such amount to the  
4 household as cash assistance in lieu of such allot-  
5 ment; and

6 “(C) for purposes of the food stamp program  
7 (other than this section and section 4(a)(2))—

8 “(i) such cash assistance shall be consid-  
9 ered to be an allotment; and

10 “(ii) such household shall not receive any  
11 other food stamp benefit for the period for  
12 which such cash assistance is provided.

13 “(4) A State that makes the election in paragraph  
14 (1) shall—

15 “(A) increase the cash benefits provided to  
16 households under this subsection to compensate for  
17 any State or local sales tax that may be collected on  
18 purchases of food by any household receiving cash  
19 benefits under this subsection, unless the Secretary  
20 determines on the basis of information provided by  
21 the State that the increase is unnecessary on the  
22 basis of the limited nature of the items subject to  
23 the State or local sales tax; and

24 “(B) pay the cost of any increase in cash bene-  
25 fits required by paragraph (1).

1       “(5) After a State operates a program under this sub-  
2 section for 2 years, the State shall provide to the Secretary  
3 a written evaluation of the impact of cash assistance.

4       “(g) In operating a program under section 4(a)(2),  
5 the State or political subdivision may follow the rules and  
6 procedures established by the State or political subdivision  
7 under the Temporary Assistance for Needy Families Block  
8 Grant or under the food stamp program, except that the  
9 State or political subdivision shall comply with the require-  
10 ments of—

11               “(1) subsections (a) through (g) of section 7  
12               (relating to the issuance and use of coupons);

13               “(2) section 8(a) (relating to the value of allot-  
14               ments, except that a household’s income may be de-  
15               termined under the program established by the State  
16               under the Temporary Assistance for Needy Families  
17               Block Grant);

18               “(3) section 8(b) (allotment not considered in-  
19               come or resources);

20               “(4) subsections (a), (c), (d), and (n) of section  
21               11 (relating to administration);

22               “(5) paragraphs (8), (12), (17), (19), (21),  
23               (26), and (27) of section 11(e) (relating to the State  
24               plan);

1           “(6) section 11(e)(10) (relating to a fair hear-  
2           ing) or a comparable requirement established by the  
3           State under the Temporary Assistance for Needy  
4           Families Block Grant; and

5           “(7) section 16 (relating to administrative cost-  
6           sharing and quality control).”.

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

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

11          (2) in paragraph (25), by striking the period at  
12          the end and inserting “; and”; and

13          (3) by adding at the end the following new  
14          paragraph:

15               “(26) the plans of the State agency for operat-  
16               ing, at the election of the State, a program under  
17               section 4(a)(2), including—

18                       “(A) the rules and procedures to be fol-  
19                       lowed by the State to determine food stamp  
20                       benefits;

21                       “(B) a statement specifying whether the  
22                       program operated by the State under section  
23                       4(a)(2) will include households that include  
24                       members who do not receive regular cash bene-  
25                       fits under the program established by the State

1 under the Temporary Assistance for Needy  
2 Families Block Grant; and

3 “(C) a description of the method by which  
4 the State or political subdivision will carry out  
5 a quality control system under section 16(c).”.

6 **SEC. 543. CONFORMING AMENDMENTS.**

7 (a) Section 8 of the Food Stamp Act of 1977 (7  
8 U.S.C. 2017) is amended by striking subsection (e).

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

11 (1) by striking subsection (i); and

12 (2) by redesignating subsections (j), (k), and (l)  
13 as subsections (i), (j), and (k), respectively.

14 **CHAPTER 2—FOOD STAMP PROGRAM**

15 **SEC. 551. THRIFTY FOOD PLAN.**

16 Section 3(o) of the Food Stamp Act of 1977 (7  
17 U.S.C. 2012(o)) is amended by striking “(4) through Jan-  
18 uary 1, 1980, adjust the cost of such diet every January  
19 1 and July 1” and all that follows through the end of the  
20 subsection, and inserting the following: “(4) on October  
21 1, 1995, adjust the cost of the thrifty food plan to reflect  
22 103 percent of the cost of the thrifty food plan in June  
23 1994 and increase such amount by 2 percent, rounding  
24 the result to the nearest lower dollar increment for each  
25 household size, and (5) on October 1, 1996, and each Oc-



1 tober 1 thereafter, increase the amount established for the  
2 preceding October 1, before such amount was rounded, by  
3 2 percent, rounding the result to the nearest lower dollar  
4 increment for each household size.”.

5 **SEC. 552. INCOME DEDUCTIONS AND ENERGY ASSISTANCE.**

6 (a) Section 5(d)(11) of the Food Stamp Act of 1977  
7 (7 U.S.C. 2014(d)(11)) is amended—

8 (1) by striking “(A)”; and

9 (2) by striking “or (B) under any State or local  
10 laws,” and all that follows through “or impracticable  
11 to do so,”.

12 (b) Section 5(e) of the Food Stamp Act of 1977 (7  
13 U.S.C. 2014(e)) is amended to read as follows:

14 “(e)(1) DEDUCTIONS FOR STANDARD AND EARNED  
15 INCOME.—

16 “(A) In computing household income, the Sec-  
17 retary shall allow a standard deduction of \$134 a  
18 month for each household, except that households in  
19 Alaska, Hawaii, Guam, and the Virgin Islands of the  
20 United States shall be allowed a standard deduction  
21 of \$229, \$189, \$269, and \$118, respectively.

22 “(B) All households with earned income shall  
23 also be allowed an additional deduction of 20 per-  
24 cent of all earned income (other than that excluded  
25 by subsection (d) of this section and that earned

1 under section 16(j)), to compensate for taxes, other  
2 mandatory deductions from salary, and work ex-  
3 penses, except that such additional deduction shall  
4 not be allowed with respect to earned income that a  
5 household willfully or fraudulently fails (as proven in  
6 a proceeding provided for in section 6(b)) to report  
7 in a timely manner.

8 “(2) DEPENDENT CARE DEDUCTION.—The Sec-  
9 retary shall allow households a deduction with respect to  
10 expenses other than expenses paid on behalf of the house-  
11 hold by a third party or amounts made available and ex-  
12 cluded for the expenses under subsection (d)(3), the maxi-  
13 mum allowable level of which shall be \$200 a month for  
14 each dependent child under 2 years of age and \$175 a  
15 month for each other dependent, for the actual cost of  
16 payments necessary for the care of a dependent when such  
17 care enables a household member to accept or continue  
18 employment, or training or education which is preparatory  
19 for employment.

20 “(3) EXCESS SHELTER EXPENSE DEDUCTION.—

21 “(A) The Secretary shall allow households,  
22 other than those households containing an elderly or  
23 disabled member, with respect to expenses other  
24 than expenses paid on behalf of the household by a  
25 third party, an excess shelter expense deduction to

1 the extent that the monthly amount expended by a  
2 household for shelter exceeds an amount equal to 50  
3 percent of monthly household income after all other  
4 applicable deductions have been allowed.

5 “(B) Such excess shelter expense deduction  
6 shall not exceed \$231 a month in the 48 contiguous  
7 States and the District of Columbia, and shall not  
8 exceed, in Alaska, Hawaii, Guam, and the Virgin Is-  
9 lands of the United States, \$402, \$330, \$280, and  
10 \$171 a month, respectively.

11 “(C)(i) Notwithstanding section 2605(f) of the  
12 Low-Income Home Energy Assistance Act of 1981  
13 (42 U.S.C. 8624(f)), a household may not claim as  
14 a shelter expense any payment received, or costs  
15 paid on its behalf, under the Low-Income Home En-  
16 ergy Assistance Act of 1981 (42 U.S.C. 8621 et  
17 seq.).

18 “(ii) Notwithstanding section 2605(f) of the  
19 Low-Income Home Energy Assistance Act of 1981  
20 (42 U.S.C. 8624(f)), a State agency may use a  
21 standard utility allowance as provided under sub-  
22 paragraph (D) for heating and cooling expenses only  
23 if the household incurs out-of-pocket heating or cool-  
24 ing expenses in excess of any payment received, or  
25 costs paid on its behalf, under the Low-Income

1 Home Energy Assistance Act of 1981 (42 U.S.C.  
2 8621 et seq.).

3 “(iii) For purposes of the food stamp program,  
4 assistance provided under the Low-Income Home  
5 Energy Assistance Act of 1981 shall be considered  
6 to be prorated over the entire heating or cooling sea-  
7 son for which it was provided.

8 “(iv) At the end of any certification period and  
9 up to one additional time during each twelve-month  
10 period, a State agency shall allow a household to  
11 switch between any standard utility allowance and a  
12 deduction based on its actual utility costs.

13 “(D)(i) In computing the excess shelter expense  
14 deduction, a State agency may use a standard utility  
15 allowance in accordance with regulations promul-  
16 gated by the Secretary, except that a State agency  
17 may use an allowance which does not fluctuate with-  
18 in a year to reflect seasonal variations.

19 “(ii) An allowance for a heating or cooling ex-  
20 pense may not be used for a household that does not  
21 incur a heating or cooling expense, as the case may  
22 be, or does incur a heating or cooling expense but  
23 is located in a public housing unit which has central  
24 utility meters and charges households, with regard  
25 to such expense, only for excess utility costs.

1           “(iii) No such allowance may be used for a  
2 household that shares such expense with, and lives  
3 with, another individual not participating in the food  
4 stamp program, another household participating in  
5 the food stamp program, or both, unless the allow-  
6 ance is prorated between the household and the  
7 other individual, household, or both.

8           “(4) HOMELESS SHELTER DEDUCTION.—(A) A  
9 State shall develop a standard homeless shelter deduction,  
10 which shall not exceed \$139 a month, for the expenses  
11 that may reasonably be expected to be incurred by house-  
12 holds in which all members are homeless but are not re-  
13 ceiving free shelter throughout the month. Subject to sub-  
14 paragraph (B), the State shall use such deduction in de-  
15 termining eligibility and allotments for such households.

16           “(B) The Secretary may prohibit the use of the  
17 standard homeless shelter deduction for households with  
18 extremely low shelter costs.

19           “(5) ELDERLY AND DISABLED HOUSEHOLDS.—

20           “(A) The Secretary shall allow households con-  
21 taining an elderly or disabled member, with respect  
22 to expenses other than expenses paid on behalf of  
23 the household by a third party—

24                   “(i) an excess medical expense deduction  
25                   for that portion of the actual cost of allowable

1 medical expenses, incurred by elderly or dis-  
2 abled members, exclusive of special diets, that  
3 exceed \$35 a month; and

4 “(ii) an excess shelter expense deduction to  
5 the extent that the monthly amount expended  
6 by a household for shelter exceeds an amount  
7 equal to 50 percent of monthly household in-  
8 come after all other applicable deductions have  
9 been allowed.

10 “(B) State agencies shall offer eligible house-  
11 holds a method of claiming a deduction for recurring  
12 medical expenses that are initially verified under the  
13 excess medical expense deduction provided for in  
14 subparagraph (A), in lieu of submitting information  
15 or verification on actual expenses on a monthly  
16 basis. The method described in the preceding sen-  
17 tence shall be designed to minimize the administra-  
18 tive burden for eligible elderly and disabled house-  
19 hold members choosing to deduct their recurrent  
20 medical expenses pursuant to such method, shall rely  
21 on reasonable estimates of the member’s expected  
22 medical expenses for the certification period (includ-  
23 ing changes that can be reasonably anticipated  
24 based on available information about the member’s  
25 medical condition, public or private medical insur-

1       ance coverage, and the current verified medical ex-  
2       penses incurred by the member), and shall not re-  
3       quire further reporting or verification of a change in  
4       medical expenses if such a change has been antici-  
5       pated for the certification period.

6       “(6) CHILD SUPPORT DEDUCTION.—Before deter-  
7       mining the excess shelter expense deduction, the Secretary  
8       shall allow all households a deduction for child support  
9       payments made by a household member to or for an indi-  
10      vidual who is not a member of the household if such house-  
11      hold member was legally obligated to make such payments,  
12      except that the Secretary is authorized to prescribe by reg-  
13      ulation the methods, including calculation on a retrospec-  
14      tive basis, that State agencies shall use to determine the  
15      amount of the deduction for child support payments.”.

16      (c) Section 11(e)(3) of the Food Stamp Act of 1977  
17      (7 U.S.C. 2020(e)(3)) is amended by striking “Under the  
18      rules prescribed by the Secretary, a State agency shall de-  
19      velop standard estimates” and all that follows through the  
20      end of the paragraph.

21      **SEC. 553. VEHICLE ALLOWANCE.**

22      Section 5(g)(2) of the Food Stamp Act of 1977 (7  
23      U.S.C. 2014(g)(2)) is amended by striking “a level set by  
24      the Secretary, which shall be \$4,500 through August 31,

1 1994,” and all that follows through the end of the para-  
2 graph, and inserting “\$4,550.”.

3 **SEC. 554. WORK REQUIREMENTS.**

4 (a) Section 6(d) of the Food Stamp Act of 1977 (7  
5 U.S.C. 2015(d)) is amended—

6 (1) in paragraph (1)(A)(ii), by striking “an em-  
7 ployment and training program under paragraph  
8 (4), to the extent required under paragraph (4), in-  
9 cluding any reasonable employment requirements as  
10 are prescribed by the State agency in accordance  
11 with paragraph (4)” and inserting “a State job  
12 search program”;

13 (2) in paragraph (2)(A)—

14 (A) by striking “title IV of the Social Se-  
15 curity Act (42 U.S.C. 602)” and inserting “the  
16 program established by the State under the  
17 Temporary Assistance for Needy Families  
18 Block Grant”; and

19 (B) by striking “that is comparable to a  
20 requirement of paragraph (1)”;

21 (3) by amending paragraph (4) to read as fol-  
22 lows:

23 “(4)(A) Except as provided in subparagraphs (B),  
24 (C), and (D), an individual shall not be denied initial eligi-  
25 bility but shall be disqualified from the food stamp pro-



1 gram if after 90 days from the certification of eligibility  
2 of such individual the individual was not employed a mini-  
3 mum of 20 hours per week, or does not participate in a  
4 program established under section 20 or a comparable  
5 program established by the State or local government.

6 “(B) Subparagraph (A) shall not apply in the case  
7 of an individual who—

8 “(i) is under eighteen or over fifty years of age;

9 “(ii) is certified by a physician as physically or  
10 mentally unfit for employment;

11 “(iii) is a parent or other member of a house-  
12 hold with responsibility for the care of a dependent;

13 “(iv) is participating a minimum of 20 hours  
14 per week and is in compliance with the requirements  
15 of—

16 “(I) a program under the Job Training  
17 Partnership Act (29 U.S.C. 1501 et seq.);

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

20 “(III) a program of employment or train-  
21 ing operated or supervised by an agency of  
22 State or local government which meets stand-  
23 ards deemed appropriate by the Governor; or

24 “(v) would otherwise be exempt under sub-  
25 section (d)(2).

1       “(C) Upon request of the State, the Secretary may  
2 waive the requirements of subparagraph (A) in the case  
3 of some or all individuals within all or part of the State  
4 if the Secretary makes a determination that such area—

5           “(i) has an unemployment rate of over 10 per-  
6 cent; or

7           “(ii) does not have a sufficient number of jobs  
8 to provide employment for individuals subject to this  
9 paragraph. The Secretary shall report to the Com-  
10 mittee on Agriculture of the House of Representa-  
11 tives and the Committee on Agriculture, Nutrition,  
12 and Forestry of the Senate on the basis on which  
13 the Secretary made such a decision.

14       “(D) An individual who has been disqualified from  
15 the food stamp program under subparagraph (A) may re-  
16 establish eligibility for assistance if such person becomes  
17 exempt under subparagraph (B) or by—

18           “(i) becoming employed for a minimum of 20  
19 hours per week during any consecutive thirty-day pe-  
20 riod; or

21           “(ii) participating in a program established  
22 under section 20 or a comparable program estab-  
23 lished by the State or local government.”.

24       (b) Section 16 of the Food Stamp Act of 1977 (7  
25 U.S.C. 2025) is amended—

1 (1) by striking subsection (h); and

2 (2) by redesignating subsections (i) and (j) as  
3 subsections (h) and (i), respectively.

4 (c) Section 17 of the Food Stamp Act of 1977 (7  
5 U.S.C. 2026), as amended by section 543(b), is amend-  
6 ed—

7 (1) by striking subsection (d); and

8 (2) by redesignating subsections (e) through (k)  
9 as subsections (d) through (j), respectively.

10 (d) Section 20 of the Food Stamp Act of 1977 (7  
11 U.S.C. 2029) is amended to read as follows:

12 “SEC. 20. (a)(1) The Secretary shall permit a State  
13 that applies and submits a plan in compliance with guide-  
14 lines promulgated by the Secretary to operate a program  
15 within the State or any political subdivision within the  
16 State, under which persons who are required to work  
17 under section 6(d)(4) may accept an offer from the State  
18 or political subdivision to perform work on its behalf, or  
19 on behalf of a private nonprofit entity designated by the  
20 State or political subdivision, in order to continue to qual-  
21 ify for benefits after they have initially been judged eligi-  
22 ble.

23 “(2) The Secretary shall promulgate guidelines pur-  
24 suant to paragraph (1) which, to the maximum extent  
25 practicable, enable a State or political subdivision to de-

1 sign and operate a program that is compatible and consist-  
2 ent with similar programs operated by the State or politi-  
3 cal subdivision.

4 “(b) To be approved by the Secretary, a program  
5 shall provide that participants work, in return for com-  
6 pensation consisting of the allotment to which the house-  
7 hold is entitled under section 8(a), with each hour of such  
8 work entitling that household to a portion of its allotment  
9 equal in value to 100 percent of the higher of the applica-  
10 ble State minimum wage or the Federal minimum hourly  
11 rate under the Fair Labor Standards Act of 1938.

12 “(c) No State or political subdivision that receives  
13 funds provided under this section shall replace any em-  
14 ployed worker with an individual who is participating in  
15 a program under this section for the purposes of comply-  
16 ing with section 6(d)(4). Such an individual may be placed  
17 in any position offered by the State or political subdivision  
18 that—

19 “(1) is a new position;

20 “(2) is a position that became available in the  
21 normal course of conducting the business of the  
22 State or political subdivision;

23 “(3) involves performing work that would other-  
24 wise be performed on an overtime basis by a worker

1 who is not an individual participating in such pro-  
2 gram; or

3 “(4) that is a position which became available  
4 by shifting a current employee to an alternate posi-  
5 tion.

6 “(d) The Secretary shall allocate among the States  
7 or political subdivisions in each fiscal year, from funds ap-  
8 propriated for the fiscal year under section 18(a)(1), the  
9 amount of \$75,000,000 to assist in carrying out the pro-  
10 gram under this section during the fiscal year.

11 “(e)(1) In making the allocation required under sub-  
12 section (d), the Secretary shall allocate to each State oper-  
13 ating a program under this section that percentage of the  
14 total funds allocated under subsection (d) which equals the  
15 estimate of the Secretary of the percentage of participants  
16 who are required to work under section 6(d)(4) that reside  
17 in such State.

18 “(2) The State shall promptly notify the Secretary  
19 if such State determines that it will not expend the funds  
20 allocated it under paragraph (1) and the Secretary shall  
21 reallocate such funds as the Secretary deems appropriate  
22 and equitable.

23 “(f) Notwithstanding subsection (d), the Secretary  
24 shall ensure that each State operating a program under  
25 this section is allocated at least \$50,000 by reducing, to

1 the extent necessary, the funds allocated to those States  
2 allocated more than \$50,000.

3 “(g) If, in carrying out such program during such  
4 fiscal year, a State or political subdivision incurs costs  
5 that exceed the amount allocated to the State agency  
6 under subsection (d)—

7 “(1) the Secretary shall pay such State agency  
8 an amount equal to 50 percent of such additional  
9 costs, subject to the first limitation in paragraph  
10 (2); and

11 “(2) the Secretary shall also reimburse each  
12 State agency in an amount equal to 50 percent of  
13 the total amount of payments made or costs in-  
14 curred by the State or political subdivision in con-  
15 nection with transportation costs and other expenses  
16 reasonably necessary and directly related to partici-  
17 pation in a program under this section, except that  
18 such total amount shall not exceed an amount rep-  
19 resenting \$25 per participant per month for costs of  
20 transportation and other actual costs and such reim-  
21 bursement shall not be made out of funds allocated  
22 under subsection (d).

23 “(h) The Secretary may suspend or cancel some or  
24 all of these payments, or may withdraw approval from a  
25 State or political subdivision to operate a program, upon

1 a finding that the State or political subdivision has failed  
2 to comply with the requirements of this section.”.

3 (e) Section 7(i)(6) of the Food Stamp Act of 1977  
4 (7 U.S.C. 2016(i)(6)) is amended by striking “section  
5 17(f)” and inserting “section 17(e)”.

6 **SEC. 555. COMPARABLE TREATMENT OF DISQUALIFIED**  
7 **INDIVIDUALS.**

8 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
9 2015) is amended by adding at the end the following new  
10 subsection:

11 “(i) An individual who is a member of a household  
12 who would otherwise be eligible to participate in the food  
13 stamp program under this section and who has been dis-  
14 qualified for noncompliance with program requirements  
15 from the program established by the State under part A  
16 of title IV of the Social Security Act (42 U.S.C. 601 et  
17 seq.) shall not be eligible to participate in the food stamp  
18 program during the period such disqualification is in  
19 effect.”.

20 **SEC. 556. ENCOURAGE ELECTRONIC BENEFIT TRANSFER**  
21 **SYSTEMS.**

22 (a) Section 7(i) of the Food Stamp Act of 1977 (7  
23 U.S.C. 2016(i)) is amended—

24 (1) by amending paragraph (1) to read as  
25 follows:

1       “(1)(A) State agencies are encouraged to implement  
2 an on-line electronic benefit transfer system in which  
3 household benefits determined under section 8(a) or sec-  
4 tion 24 are issued from and stored in a central data bank  
5 and electronically accessed by household members at the  
6 point-of-sale.

7       “(B) Subject to paragraph (2), a State is authorized  
8 to procure and implement an on-line electronic benefit  
9 transfer system under the terms, conditions, and design  
10 that the State deems appropriate, except that each elec-  
11 tronic benefit transfer card shall bear a photograph of the  
12 members of the household to which such card is issued.

13       “(C) Upon request of a State, the Secretary may  
14 waive any provision of this Act prohibiting the effective  
15 implementation of an electronic benefit transfer system  
16 under this subsection.”;

17               (2) in paragraph (2)—

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

20                       (B) by striking “the approval of”;

21                       (C) in subparagraph (A) by striking “, in  
22 any 1 year,”; and

23                       (D) by amending subparagraph (D) to  
24 read as follows:



1           “(D)(i) measures to maximize the security of  
2 such system using the most recent technology avail-  
3 able that the State considers appropriate and cost-  
4 effective and which may include (but is not limited  
5 to) personal identification numbers (PIN), photo-  
6 graphic identification on electronic benefit transfer  
7 cards, and other measures to protect against fraud  
8 and abuse; and

9           “(ii) effective not later than 2 years after the  
10 date of the enactment of the Personal Responsibility  
11 Act of 1995, measures that permit such system to  
12 differentiate items of food that may be acquired with  
13 an allotment from items of food that may not be ac-  
14 quired with an allotment.”; and

15           (3) in paragraph (3), by striking “the Secretary  
16 shall not approve such a system unless—” and in-  
17 serting “such system shall provide that—”.

18           (b) The Food Stamp Act of 1977 (7 U.S.C. 2011 et  
19 seq.), as amended by section 542(a), is amended by adding  
20 at the end the following new section:

21 **“SEC. 25. ENCOURAGEMENT OF ELECTRONIC BENEFIT**  
22 **TRANSFER SYSTEMS.**

23           “(a) Upon fully implementing an electronic benefit  
24 transfer system which operates in the entire State, a State  
25 may, subject to the provisions of this section, elect to re-

1 ceive a grant for any fiscal year to operate a low-income  
2 nutrition assistance program in such fiscal year in lieu of  
3 the food stamp program.

4 “(b)(1) A State that meets the requirements of this  
5 section and elects to operate such program, shall receive  
6 each fiscal year under this section the sum of—

7 “(A)(i) the total dollar value of all benefits is-  
8 sued under the food stamp program by the State  
9 during fiscal year 1994; or

10 “(ii) the average per fiscal year of the total dol-  
11 lar value of all benefits issued under the food stamp  
12 program by the State during fiscal years 1992  
13 through 1994; and

14 “(B)(i) the total amount received by the State  
15 for administrative costs under section 16(a) for fis-  
16 cal year 1994; or

17 “(ii) the average per fiscal year of the total  
18 amount received by the State for administrative  
19 costs under section 16(a) for fiscal years 1992  
20 through 1994.

21 “(2) Upon approval by the Secretary of the plan sub-  
22 mitted by a State under subsection (c), the Secretary shall  
23 pay to the State at such times and in such manner as  
24 the Secretary may determine, the amount to which the  
25 State is eligible under subsection (b)(1).

1       “(c) To be eligible to operate a low-income nutrition  
2 assistance program under this section, a State shall sub-  
3 mit for approval each fiscal year a plan of operation speci-  
4 fying the manner in which such a program will be con-  
5 ducted by the State. Such plan shall—

6           “(1) certify that the State has implemented a  
7 state-wide electronic benefit transfer system in ac-  
8 cordance with section 7(i);

9           “(2) designate a single State agency responsible  
10 for the administration of the low-income nutrition  
11 assistance program under this section;

12           “(3) assess the food and nutrition needs of  
13 needy persons residing in the State;

14           “(4) limit the assistance to be provided under  
15 this section to the purchase of food;

16           “(5) describe the persons to whom such assist-  
17 ance will be provided;

18           “(6) assure the Secretary that assistance will be  
19 provided to the most needy persons in the State and  
20 that applicants for assistance shall have adequate  
21 notice and fair hearings comparable to those re-  
22 quired under section 11;

23           “(7) provide that, in the operation of the low-  
24 income nutrition assistance program, there shall be

1 no discrimination on the basis of race, sex, religion,  
2 national origin, or political beliefs; and

3 “(8) include other information as may be re-  
4 quired by the Secretary.

5 “(d) Payments made under this section to the State  
6 may be expended only in the fiscal year for which such  
7 payments are distributed, except that the State may re-  
8 serve up to 5 percent of the grant received for a fiscal  
9 year to provide assistance under this section in subsequent  
10 fiscal years: *Provided*, That such reserved funds may not  
11 total more than 20 percent of the total grant received  
12 under this section for a fiscal year.

13 “(e) The State agency shall keep records concerning  
14 the operation of the program carried out under this sec-  
15 tion and shall make such records available to the Secretary  
16 and the Comptroller General of the United States.

17 “(f) If the Secretary finds that there is substantial  
18 failure by a State to comply with the requirements of this  
19 section, regulations issued pursuant to this section, or the  
20 plan approved under subsection (c), then the Secretary  
21 shall take one or more of the following actions:

22 “(1) Suspend all or part of such payment au-  
23 thorized by subsection (b)(2) to be made available to  
24 such State, until the Secretary determines the State

1 to be in substantial compliance with such require-  
2 ments.

3 “(2) Withhold all or part of such payments  
4 until the Secretary determines that there is no  
5 longer failure to comply with such requirements, at  
6 which time the withheld payment may be paid.

7 “(3) Terminate the authority of the State to  
8 operate the low-income nutrition assistance program.

9 “(g)(1) States which receive grants under this section  
10 shall provide for—

11 “(A) a biennial audit, conducted in accordance  
12 with the standards of the Comptroller General, of  
13 expenditures for the provision of nutrition assistance  
14 under this section; and

15 “(B) not later than 120 days after the end of  
16 each fiscal year in which an audit is conducted, pro-  
17 vide the Secretary with such audit.

18 States shall make the report of such audit available for  
19 public inspection.

20 “(2) Not later than 120 days after the end of the  
21 fiscal year for which a State receives a grant under this  
22 section, such State shall prepare an activities report com-  
23 paring actual expenditures for such fiscal year for nutri-  
24 tion assistance under this section with the expenditures  
25 for such fiscal year predicted in the plan submitted in ac-

1 cordance with subsection (c). Such State shall make the  
2 activities report available for public inspection.

3 “(h) Whoever knowingly and willfully embezzles,  
4 misapplies, steals, or obtains by fraud, false statement, or  
5 forgery, any funds, assets, or property provided or fi-  
6 nanced under this section shall be fined not more than  
7 \$10,000 or imprisoned for not more than 5 years, or  
8 both.”.

9 **SEC. 557. VALUE OF MINIMUM ALLOTMENT.**

10 Section 8(a) of the Food Stamp Act of 1977 (7  
11 U.S.C. 2017(a)) is amended by striking “, and shall be  
12 adjusted on each October 1” and all that follows through  
13 the end of such subsection, and inserting a period.

14 **SEC. 558. INITIAL MONTH BENEFIT DETERMINATION.**

15 Section 8(c)(2)(B) of the Food Stamp Act of 1977  
16 (7 U.S.C. 2017(c)(2)(B)) is amended by striking “of more  
17 than one month” after “following any period”.

18 **SEC. 559. IMPROVING FOOD STAMP PROGRAM MANAGE-**  
19 **MENT.**

20 (a) Section 13(a)(1) of the Food Stamp Act of 1977  
21 (7 U.S.C. 2022(a)(1)) is amended—

22 (1) in the fifth sentence, by inserting “(after a  
23 determination on any request for a waiver for good  
24 cause related to the claim has been made by the Sec-  
25 retary)” after “bill for collection”; and

1           (2) in the sixth sentence, by striking “1 year”  
2           and inserting “2 years”.

3           (b) Section 16(c) of the Food Stamp Act of 1977 (7  
4 U.S.C. 2025(c)) is amended—

5           (1) in paragraph (1)(C)—

6           (A) by striking “national performance  
7           measure” and inserting “payment error toler-  
8           ance level”; and

9           (B) by striking “equal to—” and all that  
10          follows through the period at the end and in-  
11          serting the following:

12          “equal to its payment error rate less such tolerance  
13          level times the total value of allotments issued in  
14          such a fiscal year by such State agency. The amount  
15          of liability shall not be affected by corrective action  
16          under subparagraph (B).”;

17          (2) in paragraph (3)(A), by striking “120 days”  
18          and inserting “60 days (or 90 days at the discretion  
19          of the Secretary)”;

20          (3) in the last sentence of paragraph (6), by in-  
21          serting “shall be used to establish a payment-error  
22          tolerance level. Such tolerance level for any fiscal  
23          year will be one percentage point added to the lowest  
24          national performance measure ever announced up to  
25          and including such fiscal year under this section.

1 The payment-error tolerance level” after “The an-  
2 nounced national performance measure”; and

3 (4) by striking paragraphs (8) and (9).

4 **SEC. 560. WORK SUPPLEMENTATION OR SUPPORT PRO-**  
5 **GRAM.**

6 (a) Section 11(e) of the Food Stamp Act of 1977 (7  
7 U.S.C. 2020(e)), as amended by section 542(b), is amend-  
8 ed—

9 (1) in paragraph (25), by striking “and”;

10 (2) in paragraph (26), by striking the period  
11 and inserting “; and” at the end; and

12 (3) by adding at the end the following new  
13 paragraph:

14 “(27) the plans of the State agency for includ-  
15 ing eligible food stamp recipients in a work  
16 supplementation or support program under section  
17 16(j).”.

18 (b) Section 16 of the Food Stamp Act of 1977 (7  
19 U.S.C. 2025), as amended by section 554(b), is amended  
20 by adding at the end the following new subsection:

21 “(j) WORK SUPPLEMENTATION OR SUPPORT PRO-  
22 GRAM.—

23 “(1) A State may elect to use the sums equal  
24 to the food stamp benefits that would otherwise be  
25 allotted to participants under the food stamp pro-



1       gram but for the operation of this subsection for the  
2       purposes of providing and subsidizing or supporting  
3       jobs under a work supplementation or support pro-  
4       gram established by the State.

5           “(2) If a State that makes the election de-  
6       scribed in paragraph (1) identifies each household  
7       that participates in the food stamp program which  
8       contains an individual who is participating in such  
9       work supplementation or support program—

10           “(A) the Secretary shall pay to the State  
11       an amount equal to the value of the allotment  
12       that the household would be eligible to receive  
13       but for the operation of this subsection;

14           “(B) the State shall expend such amount  
15       in accordance with its work supplementation or  
16       support program in lieu of the allotment that  
17       the household would receive but for the oper-  
18       ation of this subsection;

19           “(C) for purposes of—

20           “(i) sections 5 and 8(a), the amount  
21       received under this subsection shall be ex-  
22       cluded from household income and re-  
23       sources; and

24           “(ii) section 8(b), the amount received  
25       under this subsection shall be considered

1 as the value of an allotment provided to  
2 the household; and

3 “(D) the household shall not receive an al-  
4 lotment from the State agency for the period  
5 during which the member continues to partici-  
6 pate in the work supplementation program.

7 “(3) No person shall be excused by reason of  
8 the fact that such State has a work supplementation  
9 or support program from any work requirement  
10 under section 6(d), except during the periods in  
11 which such individual is employed under such work  
12 supplementation or support program.

13 “(4) For purposes of this subsection, the term  
14 “work supplementation or support program” shall  
15 mean a program in which, as determined by the Sec-  
16 retary, public assistance, including any benefits pro-  
17 vided under a program established by the State and  
18 the food stamp program, is provided to an employer  
19 to be used for hiring a public assistance recipient.”.

20 **SEC. 561. OBLIGATIONS AND ALLOTMENTS.**

21 Section 18 of the Food Stamp Act of 1977 (7 U.S.C.  
22 2027) is amended—

23 (1) in subsection (a)—

24 (A) in paragraph (1)—

1 (i) by striking “are authorized to be  
2 appropriated such sums as are necessary  
3 for each of the fiscal years 1991 through  
4 1995” and inserting the following:

5 “is provided to be obligated, not in excess of the cost esti-  
6 mate made by the Congressional Budget Office for this  
7 Act, as amended by the Personal Responsibility Act of  
8 1995, for the fiscal year ending September 30, 1996, with  
9 adjustments for any estimates of total obligations for addi-  
10 tional fiscal years made by the Congressional Budget Of-  
11 fice to reflect the provisions contained in the Personal Re-  
12 sponsibility Act of 1995”;

13 (ii) by striking “In each monthly re-  
14 port, the Secretary shall also state” and  
15 inserting “Also, the Secretary shall file a  
16 report every February 15, April 15, and  
17 July 15, stating”; and

18 (iii) by striking “supplemental appro-  
19 priations” and inserting “additional  
20 obligational authority”; and

21 (B) in paragraph (2), by striking “author-  
22 ized to be appropriated” and inserting “obli-  
23 gated”;

24 (2) in subsection (b)—

1 (A) in the first sentence, by striking “ap-  
2 propriation” and inserting “total obligations  
3 limitation provided”; and

4 (B) in the second sentence, by striking  
5 “appropriation” and inserting “obligational  
6 amount provided in subsection (a)(1)”;  
7 (3) in subsection (c)—

8 (A) by inserting “or under section 24”  
9 after “under sections 5(d) and 5(e)”;  
10 (B) by inserting “or under section 24”  
11 after “under section 5(c)”;  
12 (C) by striking “and” after “or otherwise  
13 disabled”; and

14 (D) by inserting before the period at the  
15 end “, and (3) adequate and appropriate rec-  
16 ommendations on how to equitably achieve such  
17 reductions”; and

18 (4) in subsection (f), by striking “No funds ap-  
19 propriated” and inserting “None of the funds obli-  
20 gated”.

1           **CHAPTER 3—PROGRAM INTEGRITY**

2   **SEC. 571. AUTHORITY TO ESTABLISH AUTHORIZATION**  
3                           **PERIODS.**

4           Section 9(a)(1) of the Food Stamp Act of 1977 (7  
5 U.S.C. 2018(a)(1)) is amended by adding at the end the  
6 following new sentence:

7   “The Secretary shall establish specific time periods during  
8 which authorization to accept and redeem coupons, or to  
9 redeem benefits through an electronic benefit transfer sys-  
10 tem, under the food stamp program shall be valid.”.

11   **SEC. 572. CONDITION PRECEDENT FOR APPROVAL OF RE-**  
12                           **TAIL FOOD STORES AND WHOLESALE FOOD**  
13                           **CONCERNS.**

14           Section 9(a)(1) of the Food Stamp Act of 1977 (7  
15 U.S.C. 2018(a)(1)), as previously amended by this title,  
16 is amended by adding at the end the following new sen-  
17 tence:

18   “No retail food store or wholesale food concern shall be  
19 approved for participation in the food stamp program un-  
20 less an authorized employee of the Department of Agri-  
21 culture, wherever possible, or an official of the State or  
22 local government designated by the Department of Agri-  
23 culture, has visited such retail food store or wholesale food  
24 concern for the purpose of determining whether such retail

1 food store or wholesale food concern should be so ap-  
2 proved.”.

3 **SEC. 573. WAITING PERIOD FOR RETAIL FOOD STORES AND**  
4 **WHOLESALE FOOD CONCERNS THAT ARE DE-**  
5 **NIED APPROVAL TO ACCEPT COUPONS.**

6 Section 9(d) of the Food Stamp Act of 1977 (7  
7 U.S.C. 2018(d)) is amended by adding at the end the fol-  
8 lowing new sentence:

9 “Such retail food store or wholesale food concern shall not  
10 submit an application under subsection (a)(1) for six  
11 months from the date of receipt of the notice of denial.”.

12 **SEC. 574. DISQUALIFICATION OF RETAIL FOOD STORES**  
13 **AND WHOLESALE FOOD CONCERNS.**

14 Section 12(a) of the Food Stamp Act of 1977 (7  
15 U.S.C. 2021(a)) is amended—

16 (1) by inserting “(1)” after “(a); and

17 (2) by inserting the following new paragraph:

18 “(2) A retail food store or wholesale food concern  
19 that is disqualified from participating in the program  
20 under section 17 of the Child Nutrition Act of 1966 shall  
21 for such period of disqualification also be disqualified from  
22 participating in the food stamp program.”.

1 **SEC. 575. AUTHORITY TO SUSPEND STORES VIOLATING**  
2 **PROGRAM REQUIREMENTS PENDING ADMIN-**  
3 **ISTRATIVE AND JUDICIAL REVIEW.**

4 Section 14(a) of the Food Stamp Act of 1977 (7  
5 U.S.C. 2023(a)) is amended by adding at the end the fol-  
6 lowing new sentence:

7 “Notwithstanding any other provision of law, the perma-  
8 nent disqualification of a retail food store or wholesale  
9 food concern under section 12(b)(3) shall be effective from  
10 the date of receipt of the notice of disqualification.”.

11 **SEC. 576. CRIMINAL FORFEITURE.**

12 Section 15 of the Food Stamp Act of 1977 (7 U.S.C.  
13 2024) is amended by adding at the end the following new  
14 subsection:

15 “(h)(1) The court, in imposing sentence on a person  
16 convicted of an offense in violation of subsection (b) or  
17 (c), shall order, in addition to any other sentence imposed  
18 pursuant to this subsection, that the person forfeit to the  
19 United States all property described in paragraph (2).

20 “(2) All property, real and personal, used in a trans-  
21 action or attempted transaction, to commit, or to facilitate  
22 the commission of, a violation (other than a misdemeanor)  
23 of subsection (b) or (c), or proceeds traceable to a violation  
24 of subsection (b) or (c), is subject to forfeiture to the Unit-  
25 ed States.

1       “(3) No property shall be forfeited under this sub-  
2 section to the extent of an interest of an owner, by reason  
3 of any act or omission established by that owner to have  
4 been committed or omitted without the knowledge or con-  
5 sent of that owner.

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

9           “(A) to reimburse the Department of Justice  
10 for the costs incurred by the Department to initiate  
11 and complete the forfeiture proceeding that caused  
12 the sale that produced such proceeds;

13           “(B) to reimburse the Department of Agri-  
14 culture Office of Inspector General for any costs it  
15 incurred in the law enforcement effort resulting in  
16 the forfeiture;

17           “(C) to reimburse any Federal or State law en-  
18 forcement agencies for any costs incurred in the law  
19 enforcement effort resulting in the forfeiture; and

20           “(D) by the Secretary to carry out the ap-  
21 proval, reauthorization, and compliance investiga-  
22 tions of retail stores under section 9.”.

23 **SEC. 577. EXPANDED DEFINITION OF “COUPON”.**

24       Section 3(d) of the Food Stamp Act of 1977 (7  
25 U.S.C. 2012(d)) is amended by striking “or type of certifi-



1 cate” and inserting “type of certificate, authorization  
2 cards, cash or checks issued in lieu of coupons, or access  
3 devices, including, but not limited to, electronic benefit  
4 transfer cards or personal identification numbers”.

5 **SEC. 578. DOUBLED PENALTIES FOR VIOLATING FOOD**  
6 **STAMP PROGRAM REQUIREMENTS.**

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

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

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

13 **SEC. 579. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

14 Section 6(b)(1)(iii) of the Food Stamp Act of 1977  
15 (7 U.S.C. 2015(b)(1)(iii)) is amended—

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

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

20 (3) by adding at the end the following new  
21 subclause:

22 “(IV) a conviction of an offense under sub-  
23 section (a) or (b) of section 15 involving items  
24 referred to in such subsection having a value of  
25 \$500 or more.”.

1 **SEC. 580. CLAIMS COLLECTION.**

2 (a) Section 11(e)(8) of the Food Stamp Act of 1977  
3 (7 U.S.C. 2020(e)(8)) is amended by inserting before the  
4 semicolon at the end “or refunds of Federal taxes as au-  
5 thorized pursuant to section 3720A of title 31 of the Unit-  
6 ed States Code”.

7 (b) Section 13(d) of the Act (7 U.S.C. 2022(d)) is  
8 amended—

9 (1) by striking “may” and inserting “shall”;  
10 and

11 (2) by inserting before the period at the end  
12 “or refunds of Federal taxes as authorized pursuant  
13 to section 3720A of title 31 of the United States  
14 Code”.

15 **SEC. 581. DENIAL OF FOOD STAMP BENEFITS FOR 10 YEARS**  
16 **TO INDIVIDUALS FOUND TO HAVE FRAUDU-**  
17 **LENTLY MISREPRESENTED RESIDENCE IN**  
18 **ORDER TO OBTAIN BENEFITS SIMULTA-**  
19 **NEOUSLY IN 2 OR MORE STATES.**

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

22 “(I) An individual shall be ineligible to participate in  
23 the food stamp program as a member of any household  
24 during the 10-year period beginning on the date the indi-  
25 vidual is found by a State to have made, or is convicted  
26 in Federal or State court of having made, a fraudulent

1 statement or representation with respect to the place of  
2 residence of the individual in order to receive benefits si-  
3 multaneously from 2 or more States under the food stamp  
4 program or under programs that are funded under part  
5 A of title IV, title XIX, or benefits in 2 or more States  
6 under the supplemental security income program under  
7 title XVI.”.

8 **SEC. 582. DISQUALIFICATION RELATING TO CHILD SUP-**  
9 **PORT ARREARS.**

10 Section 6 of the Food Stamp Act of 1977 (7 U.S.C.  
11 2015) is amended by adding at the end the following:

12 “(i) No individual is eligible to participate in the food  
13 stamp program as a member of any household during any  
14 period such individual has any unpaid liability that is  
15 both—

16 “(1) under a court order for the support of a  
17 child of such individual; and

18 “(2) for which the court is not allowing such in-  
19 dividual to delay payment.”.

20 **SEC. 583. ELIMINATION OF FOOD STAMP BENEFITS WITH**  
21 **RESPECT TO FUGITIVE FELONS AND PROBA-**  
22 **TION AND PAROLE VIOLATORS.**

23 (a) INELIGIBILITY FOR FOOD STAMPS.—Section 6 of  
24 the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended

1 by section 555, is amended by adding at the end the fol-  
2 lowing:

3 “(j) No member of a household who is otherwise eligi-  
4 ble to participate in the food stamp program shall be eligi-  
5 ble to participate in the program as a member of that or  
6 any other household while the individual is—

7 “(1) fleeing to avoid prosecution, or custody or  
8 confinement after conviction, under the laws of the  
9 place from which he flees, for a crime, or an attempt  
10 to commit a crime, which is a felony under the laws  
11 of the place from which he flees, or which, in the  
12 case of the State of New Jersey, is a high mis-  
13 demeanor under the laws of such State; or

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

16 (2) EXCHANGE OF INFORMATION WITH LAW EN-  
17 FORCEMENT OFFICERS.—Section 11(e)(8) of such Act (7  
18 U.S.C. 2020(e)(8)) is amended—

19 (1) by striking “and (C)” and inserting “(C)”;  
20 and

21 (2) by inserting before the semicolon at the end  
22 the following: “, (D) notwithstanding any other pro-  
23 vision of law, the address of a member of a house-  
24 hold shall be made available, on request, to a Fed-  
25 eral, State, or local law enforcement officer if the of-

1       ficer furnishes the State agency with the name of  
2       the member and notifies the agency that (i) the  
3       member (I) is fleeing to avoid prosecution, or cus-  
4       tody or confinement after conviction, under the laws  
5       of the place from which he flees, for a crime, or an  
6       attempt to commit a crime, which is a felony under  
7       the laws of the place from which he flees, or which,  
8       in the case of the State of New Jersey, is a high  
9       misdemeanor under the laws of such State, or is vio-  
10      lating a condition of probation or parole imposed  
11      under Federal or State law, or (II) has information  
12      that is necessary for the officer to conduct the offi-  
13      cer's official duties, (ii) the location or apprehension  
14      of the member is within the official duties of the of-  
15      ficer, and (iii) the request is made in the proper ex-  
16      ercise of the duties, and''.

17       **Subtitle C—Effective Dates and**  
18       **Miscellaneous Provisions**

19       **SEC. 591. EFFECTIVE DATES.**

20       (a) Except as provided in subsection (b), this title and  
21      amendments made by this title shall take effect on October  
22      1, 1995.

23       (b) The amendments made by section 559 shall take  
24      effect on October 1, 1994.

1 **SEC. 592. SENSE OF THE CONGRESS.**

2 It is the sense of the Congress that States that oper-  
3 ate electronic benefit systems to transfer benefits provided  
4 under the Food Stamp Act of 1977 should operate elec-  
5 tronic benefit systems that are compatible with each other.

6 **SEC. 593. DEFICIT REDUCTION.**

7 It is the sense of the Committee on Agriculture of  
8 the House of Representatives that reductions in outlays  
9 resulting from subtitle B shall not be taken into account  
10 for purposes of section 252 of the Balanced Budget and  
11 Emergency Deficit Control Act of 1985.

12 **TITLE VI—SUPPLEMENTAL**  
13 **SECURITY INCOME**

14 **SEC. 601. DENIAL OF SUPPLEMENTAL SECURITY INCOME**  
15 **BENEFITS BY REASON OF DISABILITY TO**  
16 **DRUG ADDICTS AND ALCOHOLICS.**

17 (a) IN GENERAL.—Section 1614(a)(3) of the Social  
18 Security Act (42 U.S.C. 1382c(a)(3)) is amended by add-  
19 ing at the end the following:

20 “(I) Notwithstanding subparagraph (A), an individ-  
21 ual shall not be considered to be disabled for purposes of  
22 this title if alcoholism or drug addiction would (but for  
23 this subparagraph) be a contributing factor material to  
24 the Commissioner’s determination that the individual is  
25 disabled.”.

26 (b) CONFORMING AMENDMENTS.—

1           (1) Section 1611(e) of such Act (42 U.S.C.  
2 1382(e)) is amended by striking paragraph (3).

3           (2) Section 1631(a)(2)(A)(ii) of such Act (42  
4 U.S.C. 1383(a)(2)(A)(ii)) is amended—

5                 (A) by striking “(I)”; and

6                 (B) by striking subclause (II).

7           (3) Section 1631(a)(2)(B) of such Act (42  
8 U.S.C. 1383(a)(2)(B)) is amended—

9                 (A) by striking clause (vii);

10                (B) in clause (viii), by striking “(ix)” and  
11 inserting “(viii)”;

12                (C) in clause (ix)—

13                   (i) by striking “(viii)” and inserting  
14 “(vii)”; and

15                   (ii) in subclause (II), by striking all  
16 that follows “15 years” and inserting a pe-  
17 riod;

18                (D) in clause (xiii)—

19                   (i) by striking “(xii)” and inserting  
20 “(xi)”; and

21                   (ii) by striking “(xi)” and inserting  
22 “(x)”; and

23                (E) by redesignating clauses (viii) through  
24 (xiii) as clauses (vii) through (xii), respectively.

1           (4) Section 1631(a)(2)(D)(i)(II) of such Act  
2           (42 U.S.C. 1383(a)(2)(D)(i)(II)) is amended by  
3           striking all that follows “\$25.00 per month” and in-  
4           serting a period.

5           (5) Section 1634 of such Act (42 U.S.C. 1383c)  
6           is amended by striking subsection (e).

7           (6) Section 201(c)(1) of the Social Security  
8           Independence and Program Improvements Act of  
9           1994 (42 U.S.C. 425 note) is amended—

10           (A) by striking “—” and all that follows  
11           through “(A)” the 1st place such term appears;

12           (B) by striking “and” the 3rd place such  
13           term appears;

14           (C) by striking subparagraph (B);

15           (D) by striking “either subparagraph (A)  
16           or subparagraph (B)” and inserting “the pre-  
17           ceding sentence”; and

18           (E) by striking “subparagraph (A) or (B)”  
19           and inserting “the preceding sentence”.

20           (c) EFFECTIVE DATE.—The amendments made by  
21           this section shall take effect on October 1, 1995, and shall  
22           apply with respect to months beginning on or after such  
23           date.

24           (d) FUNDING OF CERTAIN PROGRAMS FOR DRUG  
25           ADDICTS AND ALCOHOLICS.—



1           (1) IN GENERAL.—Out of any money in the  
2 Treasury not otherwise appropriated, there are here-  
3 by appropriated—

4           (A) for carrying out section 1971 of the  
5 Public Health Service Act (as amended by  
6 paragraph (2) of this subsection), \$95,000,000  
7 for each of the fiscal years 1997 through 2000;  
8 and

9           (B) for carrying out the medication devel-  
10 opment project to improve drug abuse and drug  
11 treatment research (administered through the  
12 National Institute on Drug Abuse), \$5,000,000  
13 for each of the fiscal years 1997 through 2000.

14           (2) CAPACITY EXPANSION PROGRAM REGARD-  
15 ING DRUG ABUSE TREATMENT.—Section 1971 of the  
16 Public Health Service Act (42 U.S.C. 300y) is  
17 amended—

18           (A) in subsection (a)(1), by adding at the  
19 end the following sentence: “This paragraph is  
20 subject to subsection (j).”;

21           (B) by redesignating subsection (j) as sub-  
22 section (k);

23           (C) in subsection (j) (as so redesignated),  
24 by inserting before the period the following:

1           “and for each of the fiscal years 1995 through  
2           2000”; and

3                   (D) by inserting after subsection (i) the  
4           following subsection:

5           “(j) FORMULA GRANTS FOR CERTAIN FISCAL  
6 YEARS.—

7                   “(1) IN GENERAL.—For each of the fiscal years  
8           1997 through 2000, the Director shall, for the pur-  
9           pose described in subsection (a)(1), make a grant to  
10          each State that submits to the Director an applica-  
11          tion in accordance with paragraph (2). Such a grant  
12          for a State shall consist of the allotment determined  
13          for the State under paragraph (3). For each of the  
14          fiscal years 1997 through 2000, grants under this  
15          paragraph shall be the exclusive grants under this  
16          section.

17                   “(2) REQUIREMENTS.—The Director may make  
18          a grant under paragraph (1) only if, by the date  
19          specified by the Director, the State submits to the  
20          Director an application for the grant that is in such  
21          form, is made in such manner, and contain such  
22          agreements, assurances, and information as the Di-  
23          rector determines to be necessary to carry out this  
24          subsection, and if the application contains an agree-  
25          ment by the State in accordance with the following:

1           “(A) The State will expend the grant in  
2 accordance with the priority described in sub-  
3 section (b)(1).

4           “(B) The State will comply with the condi-  
5 tions described in each of subsections (c), (d),  
6 (g), and (h).

7           “(3) ALLOTMENT.—

8           “(A) For purposes of paragraph (1), the  
9 allotment under this paragraph for a State for  
10 a fiscal year shall, except as provided in sub-  
11 paragraph (B), be the product of—

12                   “(i) the amount appropriated in sec-  
13 tion 601(d)(1)(A) of the Personal Respon-  
14 sibility Act of 1995 for the fiscal year, to-  
15 gether with any additional amounts appro-  
16 priated to carry out this section for the fis-  
17 cal year; and

18                   “(ii) the percentage determined for  
19 the State under the formula established in  
20 section 1933(a).

21           “(B) Subsections (b) through (d) of section  
22 1933 apply to an allotment under subparagraph  
23 (A) to the same extent and in the same manner  
24 as such subsections apply to an allotment under  
25 subsection (a) of section 1933.”.

1 **SEC. 602. SUPPLEMENTAL SECURITY INCOME BENEFITS**  
2 **FOR DISABLED CHILDREN.**

3 (a) RESTRICTIONS ON ELIGIBILITY FOR CASH BENE-  
4 FITS.—

5 (1) IN GENERAL.—Section 1614(a)(3)(A) of the  
6 Social Security Act (42 U.S.C. 1382c(a)(3)(A)) is  
7 amended—

8 (A) by inserting “(i)” after “(3)(A)”;

9 (B) by inserting “who has attained 18  
10 years of age” before “shall be considered”;

11 (C) by striking “he” and inserting “the in-  
12 dividual”;

13 (D) by striking “(or, in the case of an indi-  
14 vidual under the age of 18, if he suffers from  
15 any medically determinable physical or mental  
16 impairment impairment of comparable sever-  
17 ity)”;

18 (E) by adding after and below the end the  
19 following:

20 “(ii) An individual who has not attained 18 years of  
21 age shall be considered to be disabled for purposes of this  
22 title for a month if the individual—

23 “(I) meets all non-disability-related require-  
24 ments for eligibility for cash benefits under this title;

25 “(II) has any medically determinable physical  
26 or mental impairment (or combination of impair-

1       ments) that meets the requirements, applicable to  
2       individuals who have not attained 18 years of age,  
3       of the Listings of Impairments set forth in appendix  
4       1 of subpart P of part 404 of title 20, Code of Fed-  
5       eral Regulations (revised as of April 1, 1994), or  
6       that is equivalent in severity to such an impairment  
7       (or such a combination of impairments); and

8               “(III)(aa) for the month preceding the first  
9       month for which this clause takes effect, was eligible  
10      for cash benefits under this title by reason of disabil-  
11      ity; or

12              “(bb) as a result of the impairment (or com-  
13      bination of impairments) involved—

14                      “(1) is in a hospital, skilled nursing facil-  
15                      ity, nursing facility, residential treatment facil-  
16                      ity, intermediate care facility for the mentally  
17                      retarded, or other medical institution; or

18                      “(2) would be required to be placed in  
19                      such an institution if the individual were not re-  
20                      ceiving personal assistance necessitated by the  
21                      impairment (or impairments).

22              “(iii) As used in clause (ii)(III)(bb)(2), the term ‘per-  
23      sonal assistance’ includes at least hands-on or stand-by  
24      assistance, supervision, or cueing, with activities of daily  
25      living and the administration of medical treatment (where

1 applicable). For purposes of the preceding sentence, the  
2 term ‘activities of daily living’ means eating, toileting,  
3 dressing, bathing, and transferring.”.

4 (2) NOTICE.—Within 1 month after the date of  
5 the enactment of this Act, the Commissioner of So-  
6 cial Security shall notify each individual whose eligi-  
7 bility for cash supplemental security income benefits  
8 under title XVI of the Social Security Act will termi-  
9 nate by reason of the amendments made by para-  
10 graph (1) of such termination.

11 (3) ANNUAL REPORTS ON LISTINGS OF IMPAIR-  
12 MENTS.—The Commissioner of Social Security shall  
13 annually submit to the Congress a report on the  
14 Listings of Impairments set forth in appendix 1 of  
15 subpart P of part 404 of title 20, Code of Federal  
16 Regulations (revised as of April 1, 1994), that are  
17 applicable to individuals who have not attained 18  
18 years of age, and recommend any necessary revisions  
19 to the listings.

20 (b) ESTABLISHMENT OF PROGRAM OF BLOCK  
21 GRANTS REGARDING CHILDREN WITH DISABILITIES.—

22 (1) IN GENERAL.—Title XVI of the Social Se-  
23 curity Act (42 U.S.C. 1381 et seq.) is amended by  
24 adding at the end the following:

1           **“PART C—BLOCK GRANTS TO STATES FOR**  
2                           **CHILDREN WITH DISABILITIES**

3   **“SEC. 1641. ENTITLEMENT TO GRANTS.**

4           “Each State that meets the requirements of section  
5 1642 for fiscal year 1997 or any subsequent fiscal year  
6 shall be entitled to receive from the Commissioner for the  
7 fiscal year a grant in an amount equal to the allotment  
8 (as defined in section 1646(1)) of the State for the fiscal  
9 year.

10 **“SEC. 1642. REQUIREMENTS.**

11           “(a) IN GENERAL.—A State meets the requirements  
12 of this section for a grant under section 1641 for a fiscal  
13 year if by the date specified by the Commissioner, the  
14 State submits to the Commissioner an application for the  
15 grant that is in such form, is made in such manner, and  
16 contain such agreements, assurances, and information as  
17 the Commissioner determines to be necessary to carry out  
18 this part, and if the application contains an agreement by  
19 the State in accordance with the following:

20                   “(1) The grant will not be expended for any  
21           purpose other than providing authorized services (as  
22           defined in section 1646(2)) to qualifying children (as  
23           defined in section 1646(3)).

24                   “(2)(A) In providing authorized services, the  
25           State will make every reasonable effort to obtain  
26           payment for the services from other Federal or State

1 programs that provide payment for such services  
2 and from private entities that are legally liable to  
3 make the payments pursuant to insurance policies,  
4 prepaid plans, or other arrangements.

5 “(B) The State will expend the grant only to  
6 the extent that payments from the programs and en-  
7 tities described in subparagraph (A) are not avail-  
8 able for authorized services provided by the State.

9 “(3) The State will comply with the condition  
10 described in subsection (b).

11 “(4) The State will comply with the condition  
12 described in subsection (c).

13 “(b) MAINTENANCE OF EFFORT.—

14 “(1) IN GENERAL.—The condition referred to  
15 in subsection (a)(3) for a State for a fiscal year is  
16 that, with respect to the purposes described in para-  
17 graph (2), the State will maintain expenditures of  
18 non-Federal amounts for such purposes at a level  
19 that is not less than the following, as applicable:

20 “(A) For the first fiscal year for which the  
21 State receives a grant under section 1641, an  
22 amount equal to the difference between—

23 “(i) the average level of such expendi-  
24 tures maintained by the State for the 2-  
25 year period preceding October 1, 1995 (ex-



1           cept that, if such first fiscal year is other  
2           than fiscal year 1997, the amount of such  
3           average level shall be increased to the ex-  
4           tent necessary to offset the effect of infla-  
5           tion occurring after October 1, 1995); and

6           “(ii) the aggregate of non-Federal ex-  
7           penditures made by the State for such 2-  
8           year period pursuant to section 1618 (as  
9           such section was in effect for such period).

10          “(B) For each subsequent fiscal year, the  
11          amount applicable under subparagraph (A) in-  
12          creased to the extent necessary to offset the ef-  
13          fect of inflation occurring after the beginning of  
14          the fiscal year to which such subparagraph ap-  
15          plies.

16          “(2) RELEVANT PURPOSES.—The purposes de-  
17          scribed in this paragraph are any purposes designed  
18          to meet (or assist in meeting) the unique needs of  
19          qualifying children that arise from physical and  
20          mental impairments, including such purposes that  
21          are authorized to be carried out under title XIX.

22          “(3) RULE OF CONSTRUCTION.—With respect  
23          to compliance with the agreement made by a State  
24          pursuant to paragraph (1), the State has discretion  
25          to select, from among the purposes described in

1 paragraph (2), the purposes for which the State ex-  
2 pends the non-Federal amounts reserved by the  
3 State for such compliance.

4 “(4) USE OF CONSUMER PRICE INDEX.—Deter-  
5 minations under paragraph (1) of the extent of in-  
6 flation shall be made through use of the consumer  
7 price index for all urban consumers, U.S. city aver-  
8 age, published by the Bureau of Labor Statistics.

9 “(c) ASSESSMENT OF NEED FOR SERVICES.—The  
10 condition referred to in subsection (a)(4) for a State for  
11 a fiscal year is that each qualifying child will be permitted  
12 to apply for authorized services, and will be provided with  
13 an opportunity to have an assessment conducted to deter-  
14 mine the need of such child for authorized services.

15 **“SEC. 1643. AUTHORITY OF STATE.**

16 “The following decisions are in the discretion of a  
17 State with respect to compliance with an agreement made  
18 by the State under section 1642(a)(1):

19 “(1) Decisions regarding which of the author-  
20 ized services are provided.

21 “(2) Decisions regarding who among qualifying  
22 children in the State receives the services.

23 “(3) Decisions regarding the number of services  
24 provided for the qualifying child involved and the  
25 duration of the services.

1 **“SEC. 1644. AUTHORIZED SERVICES.**

2       “(a) AUTHORITY OF COMMISSIONER.—The Commis-  
3 sioner, subject to subsection (b), shall issue regulations  
4 designating the purposes for which grants under section  
5 1641 are authorized to be expended by the States.

6       “(b) REQUIREMENTS REGARDING SERVICES.—The  
7 Commissioner shall ensure that the purposes authorized  
8 under subsection (a)—

9               “(1) are designed to meet (or assist in meeting)  
10 the unique needs of qualifying children that arise  
11 from physical and mental impairments;

12               “(2) include medical and nonmedical services;  
13 and

14               “(3) do not include the provision of cash bene-  
15 fits.

16 **“SEC. 1645. GENERAL PROVISIONS.**

17       “(a) ISSUANCE OF REGULATIONS.—Regulations  
18 under this part shall be issued in accordance with proce-  
19 dures established for the issuance of substantive rules  
20 under section 553 of title 5, United States Code. Pay-  
21 ments under grants under section 1641 for fiscal year  
22 1997 shall begin not later than January 1, 1997, without  
23 regard to whether final rules under this part have been  
24 issued and without regard to whether such rules have  
25 taken effect.

26       “(b) PROVISIONS REGARDING OTHER PROGRAMS.—

1           “(1) INAPPLICABILITY OF VALUE OF SERV-  
2           ICES.—The value of authorized services provided  
3           under this part shall not be taken into account in  
4           determining eligibility for, or the amount of, benefits  
5           or services under any Federal or federally-assisted  
6           program.

7           “(2) MEDICAID PROGRAM.—For purposes of  
8           title XIX, each qualifying child shall be considered  
9           to be a recipient of supplemental security income  
10          benefits under this title (without regard to whether  
11          the child has received authorized services under this  
12          part and without regard to whether the State in-  
13          volved is receiving a grant under section 1641). The  
14          preceding sentence applies on and after the date of  
15          the enactment of this part.

16          “(c) USE BY STATES OF EXISTING DELIVERY SYS-  
17          TEMS.—With respect to the systems utilized by the States  
18          to deliver services to individuals with disabilities (including  
19          systems utilized before the date of the enactment of the  
20          Personal Responsibility Act of 1995), it is the sense of  
21          the Congress that the States should utilize such systems  
22          in providing authorized services under this part.

23          “(d) REQUIRED PARTICIPATION OF STATES.—Sub-  
24          paragraphs (C)(i) and (E)(i)(I) of section 205(c)(2) shall  
25          not apply to a State that does not participate in the pro-

1 gram established in this part for fiscal year 1997 or any  
2 succeeding fiscal year.

3 **“SEC. 1646. DEFINITIONS.**

4 “As used in this part:

5 “(1) ALLOTMENT.—The term ‘allotment’  
6 means, with respect to a State and a fiscal year, the  
7 product of—

8 “(A) an amount equal to the difference be-  
9 tween—

10 “(i) the number of qualifying children  
11 in the State (as determined for the most  
12 recent 12-month period for which data are  
13 available to the Commissioner); and

14 “(ii) the number of qualifying children  
15 in the State receiving cash benefits under  
16 this title by reason of disability (as so de-  
17 termined); and

18 “(B) an amount equal to 75 percent of the  
19 mean average of the respective annual totals of  
20 cash benefits paid under this title to each quali-  
21 fying child described in subparagraph (A)(ii)  
22 (as so determined).

23 “(2) AUTHORIZED SERVICE.—The term ‘au-  
24 thorized service’ means each purpose authorized by  
25 the Commissioner under section 1644(a).

1 “(3) QUALIFYING CHILD.—

2 “(A) IN GENERAL.—The term ‘qualifying  
3 child’ means an individual who—

4 “(i) has not attained 18 years of age;  
5 and

6 “(ii)(I) is eligible for cash benefits  
7 under this title by reason of disability; or

8 “(II) meets the conditions described  
9 in subclauses (I) and (II) of section  
10 1614(a)(3)(A)(ii), but (by reason of  
11 subclause (III) of such section) is not eligi-  
12 ble for such cash benefits.

13 “(B) RESPONSIBILITIES OF COMMIS-  
14 SIONER.—The Commissioner shall provide for  
15 determinations of whether individuals meet the  
16 criteria established in subparagraph (A) for sta-  
17 tus as qualifying children. Such determinations  
18 shall be made in accordance with the provisions  
19 otherwise applicable under this title with re-  
20 spect to such criteria.”.

21 (2) RULE REGARDING CERTAIN MILITARY PAR-  
22 ENTS; CASH BENEFITS FOR QUALIFYING CHIL-  
23 DREN.—Section 1614(a)(1)(B)(ii) of the Social Se-  
24 curity Act (42 U.S.C. 1382c(a)(1)(B)(ii)) is amend-  
25 ed by striking “United States, and who, for the

1 month” and all that follows and inserting the follow-  
2 ing: “United States, and—

3 “(I) who, for the month before the parent re-  
4 ported for such assignment, received a cash benefit  
5 under this title by reason of blindness, or

6 “(II) for whom, for such month, a determina-  
7 tion was in effect that the child is a qualifying child  
8 under section 1646(3).”.

9 (c) PROVISIONS RELATING TO SSI CASH BENEFITS  
10 AND SSI SERVICE BENEFITS.—

11 (1) CONTINUING DISABILITY REVIEWS FOR  
12 CERTAIN CHILDREN.—Section 1614(a)(3)(G) of such  
13 Act (42 U.S.C. 1382c(a)(3)(G)) is amended—

14 (A) by inserting “(i)” after “(G)”; and

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

16 “(ii)(I) Not less frequently than once every 3 years,  
17 the Commissioner shall redetermine the eligibility for cash  
18 benefits under this title and for services under part C—

19 “(aa) of each individual who has not attained  
20 18 years of age and is eligible for such cash benefits  
21 by reason of disability; and

22 “(bb) of each qualifying child (as defined in sec-  
23 tion 1646(3)).

1       “(II) Subclause (I) shall not apply to an individual  
2 if the individual has an impairment (or combination of im-  
3 pairments) which is (or are) not expected to improve.”.

4               (2) DISABILITY REVIEW REQUIRED FOR SSI RE-  
5 CIPIENTS WHO ARE 18 YEARS OF AGE.—

6               (A) IN GENERAL.—Section 1614(a)(3)(G)  
7 of such Act (42 U.S.C. 1382c(a)(3)(G)), as  
8 amended by paragraph (1) of this subsection, is  
9 amended by adding at the end the following:

10       “(iii)(I) The Commissioner shall redetermine the eli-  
11 gibility of a qualified individual for supplemental security  
12 income benefits under this title by reason of disability, by  
13 applying the criteria used in determining eligibility for  
14 such benefits of applicants who have attained 18 years of  
15 age.

16       “(II) The redetermination required by subclause (I)  
17 with respect to a qualified individual shall be conducted  
18 during the 1-year period that begins on the date the quali-  
19 fied individual attains 18 years of age.

20       “(III) As used in this clause, the term ‘qualified indi-  
21 vidual’ means an individual who attains 18 years of age  
22 and for whom, for the month preceding the month in  
23 which the individual attained such age, a determination  
24 was in effect that the individual is a qualifying child under  
25 section 1646(3).



1       “(IV) A redetermination under subclause (I) of this  
2 clause shall be considered a substitute for a review re-  
3 quired under any other provision of this subparagraph.”.

4               (B) REPORT TO THE CONGRESS.—Not  
5 later than October 1, 1998, the Commissioner  
6 of Social Security shall submit to the Commit-  
7 tee on Ways and Means of the House of Rep-  
8 resentatives and the Committee on Finance of  
9 the Senate a report on the activities conducted  
10 under section 1614(a)(3)(G)(iii) of the Social  
11 Security Act.

12              (C) CONFORMING REPEAL.—Section 207  
13 of the Social Security Independence and Pro-  
14 gram Improvements Act of 1994 (42 U.S.C.  
15 1382 note; 108 Stat. 1516) is hereby repealed.

16              (3) DISABILITY REVIEW REQUIRED FOR LOW  
17 BIRTH WEIGHT BABIES WHO HAVE RECEIVED SSI  
18 BENEFITS FOR 12 MONTHS.—Section 1614(a)(3)(G)  
19 of such Act (42 U.S.C. 1382c(a)(3)(G)), as amended  
20 by paragraphs (1) and (2) of this subsection, is  
21 amended by adding at the end the following:

22       “(iv)(I) The Commissioner shall redetermine the eli-  
23 gibility for—

24              “(aa) cash benefits under this title by reason of  
25 disability of an individual whose low birth weight is

1 a contributing factor material to the Commissioner’s  
2 determination that the individual is disabled; and

3 “(bb) services under part C of an individual  
4 who is eligible for such services by reason of low  
5 birth weight.

6 “(II) The redetermination required by subclause (I)  
7 shall be conducted once the individual has received such  
8 benefits for 12 months.

9 “(III) A redetermination under subclause (I) of this  
10 clause shall be considered a substitute for a review re-  
11 quired under any other provision of this subparagraph.”.

12 (4) APPLICABILITY OF MEDICAID RULES RE-  
13 GARDING COUNTING OF CERTAIN ASSETS AND  
14 TRUSTS OF CHILDREN.—Section 1613(c) of the So-  
15 cial Security Act (42 U.S.C. 1382b(c)) is amended  
16 to read as follows:

17 “TREATMENT OF CERTAIN ASSETS AND TRUSTS IN  
18 ELIGIBILITY DETERMINATIONS FOR CHILDREN

19 “(c) Subsections (c) and (d) of section 1917 shall  
20 apply to determinations of eligibility for benefits under  
21 this title in the case of an individual who has not attained  
22 18 years of age in the same manner as such subsections  
23 apply to determinations of eligibility for medical assistance  
24 under a State plan under title XIX, except that—

25 “(1) the amount described in section  
26 1917(c)(1)(E)(i)(II) shall be the amount of cash

1 benefits payable under this title to an eligible indi-  
2 vidual who does not have an eligible spouse and who  
3 has no income or resources;

4 “(2) the look-back date specified in section  
5 1917(c)(1)(B) shall be the date that is 36 months  
6 before the date the individual has applied for bene-  
7 fits under this title; and

8 “(3) any assets in a trust over which the indi-  
9 vidual has control shall be considered assets of the  
10 individual.”.

11 (d) CONFORMING AMENDMENTS.—

12 (1) Subsections (b)(1), (b)(2), (c)(3), (c)(5),  
13 and (e)(1)(B) of section 1611 of the Social Security  
14 Act (42 U.S.C. 1382 (b)(1), (b)(2), (c)(3), (c)(5),  
15 and (e)(1)(B)) are each amended by inserting  
16 “cash” before “benefit under this title”.

17 (2) Section 1611(c)(1) of such Act (42 U.S.C.  
18 1382(c)(1)) is amended—

19 (A) by striking “a benefit” and inserting  
20 “benefits”;

21 (B) by striking “such benefit” and insert-  
22 ing “the cash benefit under this title”; and

23 (C) by striking “and the amount of such  
24 benefits” and inserting “benefits under this

1 title and the amount of any cash benefit under  
2 this title”.

3 (3) Section 1611(c)(2) of such Act (42 U.S.C.  
4 1382(c)(2)) is amended—

5 (A) by striking “such benefit” and insert-  
6 ing “the cash benefit”;

7 (B) by inserting “cash” before “benefits”  
8 each place such term appears; and

9 (C) in subparagraph (B), by inserting  
10 “cash” before “benefit”.

11 (4) Section 1611(c)(3) of such Act (42 U.S.C.  
12 1382(c)(3)) is amended by inserting “cash” before  
13 “benefits under this title”.

14 (5) Section 1611(e)(1)(G) of such Act (42  
15 U.S.C. 1382(e)(1)(G)) is amended by inserting  
16 “cash” before “benefit of”.

17 (6) Section 1614(a)(4) of such Act (42 U.S.C.  
18 1382c(a)(4)) is amended by inserting “or impair-  
19 ment” after “disability” each place such term ap-  
20 pears.

21 (7) Section 1614(f)(1) of such Act (42 U.S.C.  
22 1382c(f)(1)) is amended by striking “and the  
23 amount of benefits” and inserting “benefits under  
24 this title and the amount of any cash benefit under  
25 this title”.

1           (8) Section 1614(f)(2)(A) of such Act (42  
2 U.S.C. 1382c(f)(2)(A)) is amended by striking “and  
3 the amount of benefits” and inserting “benefits  
4 under this title and the amount of any cash benefit”.

5           (9) Section 1614(f)(3) of such Act (42 U.S.C.  
6 1382c(f)(3)) is amended by striking “and the  
7 amount of benefits” and inserting “benefits under  
8 this title and the amount of any cash benefit under  
9 this title”.

10           (10) Section 1616(e)(1) of such Act (42 U.S.C.  
11 1382e(e)(1)) is amended by inserting “cash” before  
12 “supplemental”.

13           (11) Section 1621(a) of such Act (42 U.S.C.  
14 1382j(a)) is amended by striking “and the amount  
15 of benefits” and inserting “benefits under this title  
16 and the amount of any cash benefit under this title”.

17           (12) Section 1631(a)(4) of such Act (42 U.S.C.  
18 1383(a)(4)) is amended by inserting “cash” before  
19 “benefits” the 1st place such term appears in each  
20 of subparagraphs (A) and (B).

21           (13) Section 1631(a)(7)(A) of such Act (42  
22 U.S.C. 1383(a)(7)(A)) is amended by inserting  
23 “cash” before “benefits based”.

24           (14) Section 1631(a)(8)(A) of such Act (42  
25 U.S.C. 1383(a)(8)(A)) is amended by striking “ben-

1       efits based on disability or blindness under this  
2       title” and inserting “benefits under this title (other  
3       than by reason of age)”.

4               (15) Section 1631(c) of such Act (42 U.S.C.  
5       1383(c)) is amended—

6                       (A) by striking “payment” each place such  
7       term appears and inserting “benefits”; and

8                       (B) by striking “payments” each place  
9       such term appears and inserting “benefits”.

10              (16) Section 1631(e) of such Act (42 U.S.C.  
11       1383(e)) is amended—

12                      (A) in paragraph (1)(B), by striking  
13       “amounts of such benefits” and inserting  
14       “amounts of cash benefits under this title”;

15                      (B) in paragraph (2), by inserting “cash”  
16       before “benefits” each place such term appears;

17                      (C) by redesignating the 2nd paragraph  
18       (6) and paragraph (7) as paragraphs (7) and  
19       (8), respectively; and

20                      (D) in paragraph (7) (as so redesignated),  
21       by inserting “cash” before “benefits” each place  
22       such term appears.

23              (17) Section 1631(g)(2) of such Act (42 U.S.C.  
24       1383(g)(2)) is amended by striking “supplemental  
25       security income” and inserting “cash”.

1           (18) Section 1635(a) of such Act (42 U.S.C.  
2           1383d(a)) is amended by striking “by reason of dis-  
3           ability or blindness”.

4           (e) TEMPORARY ELIGIBILITY FOR CASH BENEFITS  
5           FOR POOR DISABLED CHILDREN RESIDING IN STATES  
6           APPLYING ALTERNATIVE INCOME ELIGIBILITY STAND-  
7           ARDS UNDER MEDICAID.—

8           (1) IN GENERAL.—For the period beginning  
9           upon the 1st day of the 1st month that begins 90  
10          or more days after the date of the enactment of this  
11          Act and ending upon the close of fiscal year 1996,  
12          an individual described in paragraph (2) shall be  
13          considered to be eligible for cash benefits under title  
14          XVI of the Social Security Act, by reason of disabil-  
15          ity notwithstanding that the individual does not  
16          meet any of the conditions described in section  
17          1614(a)(3)(A)(ii)(III) of such Act.

18          (2) REQUIREMENTS.—For purposes of para-  
19          graph (1), an individual described in this paragraph  
20          is an individual who—

21                  (A) has not attained 18 years of age;

22                  (B) meets the conditions described in  
23          subclauses (I) and (II) of section  
24          1614(a)(3)(A)(ii) of the Social Security Act;

1 (C) resides in a State that, pursuant to  
2 section 1902(f) of such Act, restricts eligibility  
3 for medical assistance under title XIX of such  
4 Act with respect to aged, blind, and disabled in-  
5 dividuals; and

6 (D) is not eligible for medical assistance  
7 under the State plan under such title XIX.

8 (f) REDUCTION IN CASH BENEFITS PAYABLE TO IN-  
9 STITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS  
10 ARE COVERED BY PRIVATE INSURANCE.—Section  
11 1611(e)(1)(B) of the Social Security Act (42 U.S.C.  
12 1382(e)(1)(B)) is amended by inserting “or under any  
13 health insurance policy issued by a private provider of  
14 such insurance” after “title XIX”.

15 (g) APPLICABILITY.—

16 (1) IN GENERAL.—Except as provided in para-  
17 graph (2), the amendments made by subsections  
18 (a)(1), (c), (d) and (f), and section 1645(b)(2) of the  
19 Social Security Act (as added by the amendment  
20 made by subsection (b) of this section), shall apply  
21 to benefits for months beginning 90 or more days  
22 after the date of the enactment of this Act, without  
23 regard to whether regulations have been issued to  
24 implement such amendments.



1           (2) DELAYED APPLICABILITY TO CURRENT SSI  
2           RECIPIENTS OF ELIGIBILITY RESTRICTIONS.—The  
3           amendments made by subsection (a)(1) shall not  
4           apply, during the first 6 months that begin after the  
5           month in which this Act becomes law, to an individ-  
6           ual who is a recipient of cash supplemental security  
7           income benefits under title XVI of the Social Secu-  
8           rity Act for the month in which this Act becomes  
9           law.

10          (h) REGULATIONS.—Within 3 months after the date  
11          of the enactment of this Act—

12                 (1) the Commissioner of Social Security shall  
13                 prescribe such regulations as may be necessary to  
14                 implement the amendments made by subsections  
15                 (a)(1), (c), (d), and (f) and to implement subsection  
16                 (e); and

17                 (2) the Secretary of Health and Human Serv-  
18                 ices shall prescribe such regulations as may be nec-  
19                 essary to implement section 1645(b)(2) of the Social  
20                 Security Act, as added by the amendment made by  
21                 subsection (b) of this section.

1 **SEC. 603. EXAMINATION OF MENTAL LISTINGS USED TO DE-**  
2 **TERMINE ELIGIBILITY OF CHILDREN FOR SSI**  
3 **BENEFITS BY REASON OF DISABILITY.**

4 Section 202(e)(2) of the Social Security Independ-  
5 ence and Program Improvements Act of 1994 (42 U.S.C.  
6 1382 note) is amended—

7 (1) by striking “and” at the end of subpara-  
8 graph (F); and

9 (2) by redesignating subparagraph (G) as sub-  
10 paragraph (H) and inserting after subparagraph (F)  
11 the following:

12 “(G) whether the criteria in the mental dis-  
13 orders listings in the Listings of Impairments set  
14 forth in appendix 1 of subpart P of part 404 of title  
15 20, Code of Federal Regulations, are appropriate to  
16 ensure that eligibility of individuals who have not at-  
17 tained 18 years of age for cash benefits under the  
18 supplemental security income program by reason of  
19 disability is limited to those who have serious dis-  
20 abilities and for whom such benefits are necessary to  
21 improve their condition or quality of life; and”.

1 **SEC. 604. LIMITATION ON PAYMENTS TO PUERTO RICO,**  
2 **THE VIRGIN ISLANDS, AND GUAM UNDER**  
3 **PROGRAMS OF AID TO THE AGED, BLIND, OR**  
4 **DISABLED.**

5 Section 1108 of the Social Security Act (42 U.S.C.  
6 1308), as amended by section 104(e)(1) of this Act, is  
7 amended by inserting before “The total” the following:

8 “(a) PROGRAMS OF AID TO THE AGED, BLIND, OR  
9 DISABLED.—The total amount certified by the Secretary  
10 of Health and Human Services under titles I, X, XIV, and  
11 XVI (as in effect without regard to the amendment made  
12 by section 301 of the Social Security Amendments of  
13 1972)—

14 “(1) for payment to Puerto Rico shall not ex-  
15 ceed \$18,053,940;

16 “(2) for payment to the Virgin Islands shall not  
17 exceed \$473,659; and

18 “(3) for payment to Guam shall not exceed  
19 \$900,718.

20 “(b) MEDICAID PROGRAMS.—”.

21 **SEC. 605. REPEAL OF MAINTENANCE OF EFFORT REQUIRE-**  
22 **MENTS APPLICABLE TO OPTIONAL STATE**  
23 **PROGRAMS FOR SUPPLEMENTATION OF SSI**  
24 **BENEFITS.**

25 Section 1618 of the Social Security Act (42 U.S.C.  
26 1382g) is hereby repealed.

1 **SEC. 606. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY**  
2 **VIDUALS FOUND TO HAVE FRAUDULENTLY**  
3 **MISREPRESENTED RESIDENCE IN ORDER TO**  
4 **OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR**  
5 **MORE STATES.**

6 Section 1614(a) of the Social Security Act (42 U.S.C.  
7 1382c(a)) is amended by adding at the end the following:

8 “(5) An individual shall not be considered an eligible  
9 individual for purposes of this title during the 10-year pe-  
10 riod beginning on the date the individual is found by a  
11 State to have made, or is convicted in Federal or State  
12 court of having made, a fraudulent statement or represen-  
13 tation with respect to the place of residence of the individ-  
14 ual in order to receive benefits simultaneously from 2 or  
15 more States under programs that are funded under part  
16 A of title IV, title XIX, or the Food Stamp Act of 1977,  
17 or benefits in 2 or more States under the supplemental  
18 security income program under title XVI.”.

19 **SEC. 607. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS**  
20 **AND PROBATION AND PAROLE VIOLATORS.**

21 (a) IN GENERAL.—Section 1611(c) of the Social Se-  
22 curity Act (42 U.S.C. 1382(e)), as amended by section  
23 601(b)(1) of this Act, is amended by inserting after para-  
24 graph (2) the following:

25 “(3) A person shall not be an eligible individual  
26 or eligible spouse for purposes of this title with re-

1       spect to any month if, throughout the month, the  
2       person is—

3               “(A) fleeing to avoid prosecution, or cus-  
4               tody or confinement after conviction, under the  
5               laws of the place from which the person flees,  
6               for a crime, or an attempt to commit a crime,  
7               which is a felony under the laws of the place  
8               from which the person flees, or which, in the  
9               case of the State of New Jersey, is a high mis-  
10              demeanor under the laws of such State; or

11              “(B) violating a condition of probation or  
12              parole imposed under Federal or State law.”.

13       (b) EXCHANGE OF INFORMATION WITH LAW EN-  
14       FORCEMENT AGENCIES.—Section 1631(e) of such Act (42  
15       U.S.C. 1383(e)) is amended by inserting after paragraph  
16       (3) the following:

17              “(4) Notwithstanding any other provision of law, the  
18       Commissioner shall furnish any Federal, State, or local  
19       law enforcement officer, upon the request of the officer,  
20       with the current address of any recipient of benefits under  
21       this title, if the officer furnishes the agency with the name  
22       of the recipient and notifies the agency that—

23              “(A) the recipient—

24                      “(i) is fleeing to avoid prosecution, or cus-  
25                      tody or confinement after conviction, under the

1 laws of the place from which the person flees,  
2 for a crime, or an attempt to commit a crime,  
3 which is a felony under the laws of the place  
4 from which the person flees, or which, in the  
5 case of the State of New Jersey, is a high mis-  
6 demeanor under the laws of such State;

7 “(ii) is violating a condition of probation or  
8 parole imposed under Federal or State law; or

9 “(iii) has information that is necessary for  
10 the officer to conduct the officer’s official du-  
11 ties;

12 “(B) the location or apprehension of the recipi-  
13 ent is within the official duties of the officer; and

14 “(C) the request is made in the proper exercise  
15 of such duties.”.

## 16 **TITLE VII—CHILD SUPPORT**

### 17 **SEC. 700. REFERENCES.**

18 Except as otherwise specifically provided, wherever in  
19 this title an amendment is expressed in terms of an  
20 amendment to or repeal of a section or other provision,  
21 the reference shall be considered to be made to that sec-  
22 tion or other provision of the Social Security Act.

1 **Subtitle A—Eligibility for Services;**  
2 **Distribution of Payments**

3 **SEC. 701. STATE OBLIGATION TO PROVIDE CHILD SUPPORT**  
4 **ENFORCEMENT SERVICES.**

5 (a) STATE PLAN REQUIREMENTS.—Section 454 (42  
6 U.S.C. 654) is amended—

7 (1) by striking paragraph (4) and inserting the  
8 following:

9 “(4) provide that the State will—

10 “(A) provide services relating to the estab-  
11 lishment of paternity or the establishment,  
12 modification, or enforcement of child support  
13 obligations, as appropriate, under the plan with  
14 respect to—

15 “(i) each child for whom cash assist-  
16 ance is provided under the State program  
17 funded under part A of this title, benefits  
18 or services are provided under the State  
19 program funded under part B of this title,  
20 or medical assistance is provided under the  
21 State plan approved under title XIX, un-  
22 less the State agency administering the  
23 plan determines (in accordance with para-  
24 graph (28)) that it is against the best in-  
25 terests of the child to do so; and

1           “(ii) any other child, if an individual  
2           applies for such services with respect to  
3           the child; and

4           “(B) enforce any support obligation estab-  
5           lished with respect to—

6           “(i) a child with respect to whom the  
7           State provides services under the plan; or

8           “(ii) the custodial parent of such a  
9           child.”; and

10          (2) in paragraph (6)—

11           (A) by striking “provide that” and insert-  
12           ing “provide that—”;

13           (B) by striking subparagraph (A) and in-  
14           serting the following:

15           “(A) services under the plan shall be made  
16           available to nonresidents on the same terms as  
17           to residents;”;

18           (C) in subparagraph (B), by inserting “on  
19           individuals not receiving assistance under any  
20           State program funded under part A” after  
21           “such services shall be imposed”;

22           (D) in each of subparagraphs (B), (C),  
23           (D), and (E)—

24           (i) by indenting the subparagraph in  
25           the same manner as, and aligning the left



1 margin of the subparagraph with the left  
2 margin of, the matter inserted by subpara-  
3 graph (B) of this paragraph; and

4 (ii) by striking the final comma and  
5 inserting a semicolon; and

6 (E) in subparagraph (E), by indenting  
7 each of clauses (i) and (ii) 2 additional ems.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Section 452(b) (42 U.S.C. 652(b)) is  
10 amended by striking “454(6)” and inserting  
11 “454(4)”.

12 (2) Section 452(g)(2)(A) (42 U.S.C.  
13 652(g)(2)(A)) is amended by striking “454(6)” each  
14 place it appears and inserting “454(4)(A)(ii)”.

15 (3) Section 466(a)(3)(B) (42 U.S.C.  
16 666(a)(3)(B)) is amended by striking “in the case of  
17 overdue support which a State has agreed to collect  
18 under section 454(6)” and inserting “in any other  
19 case”.

20 (4) Section 466(e) (42 U.S.C. 666(e)) is  
21 amended by striking “paragraph (4) or (6) of sec-  
22 tion 454” and inserting “section 454(4)”.

1 **SEC. 702. DISTRIBUTION OF CHILD SUPPORT COLLEC-**  
2 **TIONS.**

3 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is  
4 amended to read as follows:

5 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

6 “(a) IN GENERAL.—An amount collected on behalf  
7 of a family as support by a State pursuant to a plan ap-  
8 proved under this part shall be distributed as follows:

9 “(1) FAMILIES RECEIVING CASH ASSISTANCE.—  
10 In the case of a family receiving cash assistance  
11 from the State, the State shall—

12 “(A) retain, or distribute to the family, the  
13 State share of the amount so collected; and

14 “(B) pay to the Federal Government the  
15 Federal share of the amount so collected.

16 “(2) FAMILIES THAT FORMERLY RECEIVED  
17 CASH ASSISTANCE.—In the case of a family that for-  
18 merly received cash assistance from the State:

19 “(A) CURRENT SUPPORT PAYMENTS.—To  
20 the extent that the amount so collected does not  
21 exceed the amount required to be paid to the  
22 family for the month in which collected, the  
23 State shall distribute the amount so collected to  
24 the family.

25 “(B) PAYMENTS OF ARREARAGES.—To the  
26 extent that the amount so collected exceeds the

1 amount required to be paid to the family for  
2 the month in which collected, the State shall  
3 distribute the amount so collected as follows:

4 “(i) DISTRIBUTION TO THE FAMILY  
5 TO SATISFY ARREARAGES THAT ACCRUED  
6 BEFORE OR AFTER THE FAMILY RECEIVED  
7 CASH ASSISTANCE.—The State shall dis-  
8 tribute the amount so collected to the fam-  
9 ily to the extent necessary to satisfy any  
10 support arrears with respect to the family  
11 that accrued before or after the family re-  
12 ceived cash assistance from the State.

13 “(ii) REIMBURSEMENT OF GOVERN-  
14 MENTS FOR ASSISTANCE PROVIDED TO  
15 THE FAMILY.—To the extent that clause  
16 (i) does not apply to the amount, the State  
17 shall retain the State share of the amount  
18 so collected, and pay to the Federal Gov-  
19 ernment the Federal share of the amount  
20 so collected, to the extent necessary to re-  
21 imburse amounts paid to the family as  
22 cash assistance from the State.

23 “(iii) DISTRIBUTION OF THE REMAIN-  
24 DER TO THE FAMILY.—To the extent that  
25 neither clause (i) nor clause (ii) applies to

1           the amount so collected, the State shall  
2           distribute the amount to the family.

3           “(3) FAMILIES THAT NEVER RECEIVED CASH  
4           ASSISTANCE.—In the case of any other family, the  
5           State shall distribute the amount so collected to the  
6           family.

7           “(b) DEFINITIONS.—As used in subsection (a):

8           “(1) CASH ASSISTANCE.—The term ‘cash as-  
9           sistance from the State’ means—

10           “(A) cash assistance under the State pro-  
11           gram funded under part A or under the State  
12           plan approved under part A of this title (as in  
13           effect before October 1, 1995); or

14           “(B) cash benefits under the State pro-  
15           gram funded under part B or under the State  
16           plan approved under part B or E of this title  
17           (as in effect before October 1, 1995).

18           “(2) FEDERAL SHARE.—The term ‘Federal  
19           share’ means, with respect to an amount collected by  
20           the State to satisfy a support obligation owed to a  
21           family for a time period—

22           “(A) the greatest Federal medical assist-  
23           ance percentage in effect for the State for fiscal  
24           year 1995 or any succeeding fiscal year; or

1           “(B) if support is not owed to the family  
2           for any month for which the family received aid  
3           to families with dependent children under the  
4           State plan approved under part A of this title  
5           (as in effect before October 1, 1995), the Fed-  
6           eral reimbursement percentage for the fiscal  
7           year in which the time period occurs.

8           “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-  
9           AGE.—The term ‘Federal medical assistance per-  
10          centage’ means—

11           “(A) the Federal medical assistance per-  
12          centage (as defined in section 1118), in the case  
13          of Puerto Rico, the Virgin Islands, Guam, and  
14          American Samoa; or

15           “(B) the Federal medical assistance per-  
16          centage (as defined in section 1905(b)) in the  
17          case of any other State.

18           “(4) FEDERAL REIMBURSEMENT PERCENT-  
19          AGE.—The term ‘Federal reimbursement percentage’  
20          means, with respect to a fiscal year—

21           “(A) the total amount paid to the State  
22          under section 403 for the fiscal year; divided by

23           “(B) the total amount expended by the  
24          State to carry out the State program under  
25          part A during the fiscal year.

1           “(5) STATE SHARE.—The term ‘State share’  
2           means 100 percent minus the Federal share.

3           “(c) CONTINUATION OF SERVICES FOR FAMILIES  
4 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE  
5 PROGRAM FUNDED UNDER PART A.—When a family with  
6 respect to which services are provided under a State plan  
7 approved under this part ceases to receive assistance  
8 under the State program funded under part A, the State  
9 shall provide appropriate notice to the family and continue  
10 to provide such services, subject to the same conditions  
11 and on the same basis as in the case of individuals to  
12 whom services are furnished under section 454, except  
13 that an application or other request to continue services  
14 shall not be required of such a family and section  
15 454(6)(B) shall not apply to the family.”.

16           (b) EFFECTIVE DATE.—

17           (1) GENERAL RULE.—Except as provided in  
18           paragraph (2), the amendment made by subsection  
19           (a) shall become effective on October 1, 1999.

20           (2) EARLIER EFFECTIVE DATE FOR RULES RE-  
21           LATING TO DISTRIBUTION OF SUPPORT COLLECTED  
22           FOR FAMILIES RECEIVING CASH ASSISTANCE.—Sec-  
23           tion 457(a)(1) of the Social Security Act, as added  
24           by the amendment made by subsection (a), shall be-  
25           come effective on October 1, 1995.

1 **SEC. 703. PRIVACY SAFEGUARDS.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
3 U.S.C. 654) is amended—

4 (1) by striking “and” at the end of paragraph  
5 (23);

6 (2) by striking the period at the end of para-  
7 graph (24) and inserting “; and”; and

8 (3) by adding after paragraph (24) the follow-  
9 ing:

10 “(25) will have in effect safeguards, applicable  
11 to all confidential information handled by the State  
12 agency, that are designed to protect the privacy  
13 rights of the parties, including—

14 “(A) safeguards against unauthorized use  
15 or disclosure of information relating to proceed-  
16 ings or actions to establish paternity, or to es-  
17 tablish or enforce support;

18 “(B) prohibitions against the release of in-  
19 formation on the whereabouts of one party to  
20 another party against whom a protective order  
21 with respect to the former party has been en-  
22 tered; and

23 “(C) prohibitions against the release of in-  
24 formation on the whereabouts of one party to  
25 another party if the State has reason to believe  
26 that the release of the information may result

1           in physical or emotional harm to the former  
2           party.”.

3           (b) EFFECTIVE DATE.—The amendment made by  
4 subsection (a) shall become effective on October 1, 1997.

5           **Subtitle B—Locate and Case**  
6           **Tracking**

7           **SEC. 711. STATE CASE REGISTRY.**

8           Section 454A, as added by section 745(a)(2) of this  
9 Act, is amended by adding at the end the following:

10          “(e) STATE CASE REGISTRY.—

11               “(1) CONTENTS.—The automated system re-  
12               quired by this section shall include a registry (which  
13               shall be known as the ‘State case registry’) that con-  
14               tains records with respect to—

15                       “(A) each case in which services are being  
16                       provided by the State agency under the State  
17                       plan approved under this part; and

18                       “(B) each support order established or  
19                       modified in the State on or after October 1,  
20                       1998.

21               “(2) LINKING OF LOCAL REGISTRIES.—The  
22               State case registry may be established by linking  
23               local case registries of support orders through an  
24               automated information network, subject to this sec-  
25               tion.



1           “(3) USE OF STANDARDIZED DATA ELE-  
2           MENTS.—Such records shall use standardized data  
3           elements for both parents (such as names, social se-  
4           curity numbers and other uniform identification  
5           numbers, dates of birth, and case identification  
6           numbers), and contain such other information (such  
7           as on case status) as the Secretary may require.

8           “(4) PAYMENT RECORDS.—Each case record in  
9           the State case registry with respect to which services  
10          are being provided under the State plan approved  
11          under this part and with respect to which a support  
12          order has been established shall include a record  
13          of—

14                 “(A) the amount of monthly (or other peri-  
15                 odic) support owed under the order, and other  
16                 amounts (including arrears, interest or late  
17                 payment penalties, and fees) due or overdue  
18                 under the order;

19                 “(B) any amount described in subpara-  
20                 graph (A) that has been collected;

21                 “(C) the distribution of such collected  
22                 amounts;

23                 “(D) the birth date of any child for whom  
24                 the order requires the provision of support; and

1           “(E) the amount of any lien imposed with  
2           respect to the order pursuant to section  
3           466(a)(4).

4           “(5) UPDATING AND MONITORING.—The State  
5           agency operating the automated system required by  
6           this section shall promptly establish and maintain,  
7           and regularly monitor, case records in the State case  
8           registry with respect to which services are being pro-  
9           vided under the State plan approved under this part,  
10          on the basis of—

11                  “(A) information on administrative actions  
12                  and administrative and judicial proceedings and  
13                  orders relating to paternity and support;

14                  “(B) information obtained from compari-  
15                  son with Federal, State, or local sources of in-  
16                  formation;

17                  “(C) information on support collections  
18                  and distributions; and

19                  “(D) any other relevant information.

20          “(f) INFORMATION COMPARISONS AND OTHER DIS-  
21          CLOSURES OF INFORMATION.—The State shall use the  
22          automated system required by this section to extract infor-  
23          mation from (at such times, and in such standardized for-  
24          mat or formats, as may be required by the Secretary), to  
25          share and compare information with, and to receive infor-

1 mation from, other data bases and information compari-  
2 son services, in order to obtain (or provide) information  
3 necessary to enable the State agency (or the Secretary or  
4 other State or Federal agencies) to carry out this part,  
5 subject to section 6103 of the Internal Revenue Code of  
6 1986. Such information comparison activities shall include  
7 the following:

8           “(1) FEDERAL CASE REGISTRY OF CHILD SUP-  
9           PORT ORDERS.—Furnishing to the Federal Case  
10          Registry of Child Support Orders established under  
11          section 453(h) (and update as necessary, with infor-  
12          mation including notice of expiration of orders) the  
13          minimum amount of information on child support  
14          cases recorded in the State case registry that is nec-  
15          essary to operate the registry (as specified by the  
16          Secretary in regulations).

17           “(2) FEDERAL PARENT LOCATOR SERVICE.—  
18          Exchanging information with the Federal Parent  
19          Locator Service for the purposes specified in section  
20          453.

21           “(3) TEMPORARY FAMILY ASSISTANCE AND  
22          MEDICAID AGENCIES.—Exchanging information with  
23          State agencies (of the State and of other States) ad-  
24          ministering programs funded under part A, pro-  
25          grams operated under State plans under title XIX,

1 and other programs designated by the Secretary, as  
2 necessary to perform State agency responsibilities  
3 under this part and under such programs.

4 “(4) INTRA- AND INTERSTATE INFORMATION  
5 COMPARISONS.—Exchanging information with other  
6 agencies of the State, agencies of other States, and  
7 interstate information networks, as necessary and  
8 appropriate to carry out (or assist other States to  
9 carry out) the purposes of this part.”.

10 **SEC. 712. COLLECTION AND DISBURSEMENT OF SUPPORT**  
11 **PAYMENTS.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42  
13 U.S.C. 654), as amended by section 703(a) of this Act,  
14 is amended—

15 (1) by striking “and” at the end of paragraph  
16 (24);

17 (2) by striking the period at the end of para-  
18 graph (25) and inserting “; and”; and

19 (3) by adding after paragraph (25) the follow-  
20 ing:

21 “(26) provide that, on and after October 1,  
22 1998, the State agency will—

23 “(A) operate a State disbursement unit in  
24 accordance with section 454B; and

1           “(B) have sufficient State staff (consisting  
2           of State employees) and (at State option) con-  
3           tractors reporting directly to the State agency  
4           to—

5                   “(i) monitor and enforce support col-  
6                   lections through the unit (including carry-  
7                   ing out the automated data processing re-  
8                   sponsibilities described in section 454A(g));  
9                   and

10                   “(ii) take the actions described in sec-  
11                   tion 466(c)(1) in appropriate cases.”.

12           (b) ESTABLISHMENT OF STATE DISBURSEMENT  
13 UNIT.—Part D of title IV (42 U.S.C. 651–669), as  
14 amended by section 745(a)(2) of this Act, is amended by  
15 inserting after section 454A the following:

16 **“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUP-**  
17 **PORT PAYMENTS.**

18           “(a) STATE DISBURSEMENT UNIT.—

19                   “(1) IN GENERAL.—In order for a State to  
20                   meet the requirements of this section, the State  
21                   agency must establish and operate a unit (which  
22                   shall be known as the ‘State disbursement unit’) for  
23                   the collection and disbursement of payments under  
24                   support orders in all cases being enforced by the  
25                   State pursuant to section 454(4).

1           “(2) OPERATION.—The State disbursement  
2 unit shall be operated—

3           “(A) directly by the State agency (or 2 or  
4 more State agencies under a regional coopera-  
5 tive agreement), or (to the extent appropriate)  
6 by a contractor responsible directly to the State  
7 agency; and

8           “(B) in coordination with the automated  
9 system established by the State pursuant to  
10 section 454A.

11           “(3) LINKING OF LOCAL DISBURSEMENT  
12 UNITS.—The State disbursement unit may be estab-  
13 lished by linking local disbursement units through  
14 an automated information network, subject to this  
15 section. The Secretary must agree that the system  
16 will not cost more nor take more time to establish  
17 than a centralized system. In addition, employers  
18 shall be given 1 location to which income withhold-  
19 ing is sent.

20           “(b) REQUIRED PROCEDURES.—The State disburse-  
21 ment unit shall use automated procedures, electronic proc-  
22 esses, and computer-driven technology to the maximum  
23 extent feasible, efficient, and economical, for the collection  
24 and disbursement of support payments, including proce-  
25 dures—

1           “(1) for receipt of payments from parents, em-  
2           ployers, and other States, and for disbursements to  
3           custodial parents and other obligees, the State agen-  
4           cy, and the agencies of other States;

5           “(2) for accurate identification of payments;

6           “(3) to ensure prompt disbursement of the cus-  
7           todial parent’s share of any payment; and

8           “(4) to furnish to any parent, upon request,  
9           timely information on the current status of support  
10          payments under an order requiring payments to be  
11          made by or to the parent.

12          “(c) TIMING OF DISBURSEMENTS.—The State dis-  
13          bursement unit shall distribute all amounts payable under  
14          section 457(a) within 2 business days after receipt from  
15          the employer or other source of periodic income, if suffi-  
16          cient information identifying the payee is provided.

17          “(d) BUSINESS DAY DEFINED.—As used in this sec-  
18          tion, the term ‘business day’ means a day on which State  
19          offices are open for regular business.”.

20          (c) USE OF AUTOMATED SYSTEM.—Section 454A, as  
21          added by section 745(a)(2) of this Act and as amended  
22          by section 711 of this Act, is amended by adding at the  
23          end the following:

24          “(g) COLLECTION AND DISTRIBUTION OF SUPPORT  
25          PAYMENTS.—

1           “(1) IN GENERAL.—The State shall use the  
2           automated system required by this section, to the  
3           maximum extent feasible, to assist and facilitate the  
4           collection and disbursement of support payments  
5           through the State disbursement unit operated under  
6           section 454B, through the performance of functions,  
7           including, at a minimum—

8                   “(A) transmission of orders and notices to  
9                   employers (and other debtors) for the withhold-  
10                  ing of wages (and other income)—

11                          “(i) within 2 business days after re-  
12                          ceipt (from a court, another State, an em-  
13                          ployer, the Federal Parent Locator Service,  
14                          or another source recognized by the State)  
15                          of notice of, and the income source subject  
16                          to, such withholding; and

17                          “(ii) using uniform formats prescribed  
18                          by the Secretary;

19                   “(B) ongoing monitoring to promptly iden-  
20                   tify failures to make timely payment of support;  
21                   and

22                          “(C) automatic use of enforcement proce-  
23                          dures (including procedures authorized pursu-  
24                          ant to section 466(c)) where payments are not  
25                          timely made.



1           “(2) BUSINESS DAY DEFINED.—As used in  
2 paragraph (1), the term ‘business day’ means a day  
3 on which State offices are open for regular busi-  
4 ness.”.

5           (d) EFFECTIVE DATE.—The amendments made by  
6 this section shall become effective on October 1, 1998.

7 **SEC. 713. STATE DIRECTORY OF NEW HIRES.**

8           (a) STATE PLAN REQUIREMENT.—Section 454 (42  
9 U.S.C. 654), as amended by sections 703(a) and 712(a)  
10 of this Act, is amended—

11           (1) by striking “and” at the end of paragraph  
12 (25);

13           (2) by striking the period at the end of para-  
14 graph (26) and inserting “; and”; and

15           (3) by adding after paragraph (26) the follow-  
16 ing:

17           “(27) provide that, on and after October 1,  
18 1997, the State will operate a State Directory of  
19 New Hires in accordance with section 453A.”.

20           (b) STATE DIRECTORY OF NEW HIRES.—Part D of  
21 title IV (42 U.S.C. 651–669) is amended by inserting  
22 after section 453 the following:

23 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

24           “(a) ESTABLISHMENT.—

1           “(1) IN GENERAL.—Not later than October 1,  
2           1997, each State shall establish an automated direc-  
3           tory (to be known as the ‘State Directory of New  
4           Hires’) which shall contain information supplied in  
5           accordance with subsection (b) by employers and  
6           labor organizations on each newly hired employee.

7           “(2) DEFINITIONS.—As used in this section:

8           “(A) EMPLOYEE.—The term ‘employee’—

9           “(i) means an individual who is an  
10           employee within the meaning of chapter 24  
11           of the Internal Revenue Code of 1986; and

12           “(ii) does not include an employee of  
13           a Federal or State agency performing in-  
14           telligence or counterintelligence functions,  
15           if the head of such agency has determined  
16           that reporting pursuant to paragraph (1)  
17           with respect to the employee could endan-  
18           ger the safety of the employee or com-  
19           promise an ongoing investigation or intel-  
20           ligence mission.

21           “(B) GOVERNMENTAL EMPLOYERS.—The  
22           term ‘employer’ includes any governmental en-  
23           tity.

24           “(C) LABOR ORGANIZATION.—The term  
25           ‘labor organization’ shall have the meaning

1 given such term in section 2(5) of the National  
2 Labor Relations Act, and includes any entity  
3 (also known as a 'hiring hall') which is used by  
4 the organization and an employer to carry out  
5 requirements described in section 8(f)(3) of  
6 such Act of an agreement between the organiza-  
7 tion and the employer.

8 “(b) EMPLOYER INFORMATION.—

9 “(1) REPORTING REQUIREMENT.—

10 “(A) IN GENERAL.—Except as provided in  
11 subparagraph (B), each employer shall furnish  
12 to the Directory of New Hires of the State in  
13 which a newly hired employee works a report  
14 that contains the name, address, and social se-  
15 curity number of the employee, and the name  
16 of, and identifying number assigned under sec-  
17 tion 6109 of the Internal Revenue Code of 1986  
18 to, the employer.

19 “(B) MULTISTATE EMPLOYERS.—An em-  
20 ployer who has employees who are employed in  
21 2 or more States may comply with subpara-  
22 graph (A) by transmitting the report described  
23 in subparagraph (A) magnetically or electroni-  
24 cally to the State in which the greatest number  
25 of employees of the employer are employed.

1           “(2) TIMING OF REPORT.—The report required  
2           by paragraph (1) with respect to an employee shall  
3           be made not later than the later of—

4                   “(A) 15 days after the date the employer  
5                   hires the employee; or

6                   “(B) the date the employee first receives  
7                   wages or other compensation from the em-  
8                   ployer.

9           “(c) REPORTING FORMAT AND METHOD.—Each re-  
10          port required by subsection (b) shall be made on a W-  
11          4 form or the equivalent, and may be transmitted by first  
12          class mail, magnetically, or electronically.

13          “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING  
14          EMPLOYERS.—

15                   “(1) IN GENERAL.—An employer that fails to  
16                   comply with subsection (b) with respect to an em-  
17                   ployee shall be subject to a civil money penalty of—

18                           “(A) \$25; or

19                           “(B) \$500 if, under State law, the failure  
20                           is the result of a conspiracy between the em-  
21                           ployer and the employee to not supply the re-  
22                           quired report or to supply a false or incomplete  
23                           report.

24                   “(2) APPLICABILITY OF SECTION 1128.—Section  
25                   1128 (other than subsections (a) and (b) of such

1 section) shall apply to a civil money penalty under  
2 paragraph (1) of this subsection in the same manner  
3 as such section applies to a civil money penalty or  
4 proceeding under section 1128A(a).

5 “(e) INFORMATION COMPARISONS.—

6 “(1) IN GENERAL.—Not later than October 1,  
7 1997, an agency designated by the State shall, di-  
8 rectly or by contract, conduct automated compari-  
9 sons of the social security numbers reported by em-  
10 ployers pursuant to subsection (b) and the social se-  
11 curity numbers appearing in the records of the State  
12 case registry for cases being enforced under the  
13 State plan.

14 “(2) NOTICE OF MATCH.—When an information  
15 comparison conducted under paragraph (1) reveals a  
16 match with respect to the social security number of  
17 an individual required to provide support under a  
18 support order, the State Directory of New Hires  
19 shall provide the agency administering the State  
20 plan approved under this part of the appropriate  
21 State with the name, address, and social security  
22 number of the employee to whom the social security  
23 number is assigned, and the name of, and identify-  
24 ing number assigned under section 6109 of the In-  
25 ternal Revenue Code of 1986 to, the employer.

1 “(f) TRANSMISSION OF INFORMATION.—

2 “(1) TRANSMISSION OF WAGE WITHHOLDING  
3 NOTICES TO EMPLOYERS.—Within 2 business days  
4 after the date information regarding a newly hired  
5 employee is entered into the State Directory of New  
6 Hires, the State agency enforcing the employee’s  
7 child support obligation shall transmit a notice to  
8 the employer of the employee directing the employer  
9 to withhold from the wages of the employee an  
10 amount equal to the monthly (or other periodic)  
11 child support obligation of the employee, unless the  
12 employee’s wages are not subject to withholding pur-  
13 suant to section 466(b)(3).

14 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-  
15 TORY OF NEW HIRES.—

16 “(A) NEW HIRE INFORMATION.—Within 4  
17 business days after the State Directory of New  
18 Hires receives information from employers pur-  
19 suant to this section, the State Directory of  
20 New Hires shall furnish the information to the  
21 National Directory of New Hires.

22 “(B) WAGE AND UNEMPLOYMENT COM-  
23 PENSATION INFORMATION.—The State Direc-  
24 tory of New Hires shall, on a quarterly basis,  
25 furnish to the National Directory of New Hires

1 extracts of the reports required under section  
2 303(a)(6) to be made to the Secretary of Labor  
3 concerning the wages and unemployment com-  
4 pensation paid to individuals, by such dates, in  
5 such format, and containing such information  
6 as the Secretary of Health and Human Services  
7 shall specify in regulations.

8 “(3) BUSINESS DAY DEFINED.—As used in this  
9 subsection, the term ‘business day’ means a day on  
10 which State offices are open for regular business.

11 “(g) OTHER USES OF NEW HIRE INFORMATION.—

12 “(1) LOCATION OF CHILD SUPPORT OBLI-  
13 GORS.—The agency administering the State plan ap-  
14 proved under this part shall use information received  
15 pursuant to subsection (e)(2) to locate individuals  
16 for purposes of establishing paternity and establish-  
17 ing, modifying, and enforcing child support obliga-  
18 tions.

19 “(2) VERIFICATION OF ELIGIBILITY FOR CER-  
20 TAIN PROGRAMS.—A State agency responsible for  
21 administering a program specified in section 1137(b)  
22 shall have access to information reported by employ-  
23 ers pursuant to subsection (b) of this section for  
24 purposes of verifying eligibility for the program.

1           “(3) ADMINISTRATION OF EMPLOYMENT SECUR-  
2           RITY AND WORKERS COMPENSATION.—State agen-  
3           cies operating employment security and workers’  
4           compensation programs shall have access to informa-  
5           tion reported by employers pursuant to subsection  
6           (b) for the purposes of administering such pro-  
7           grams.”.

8   **SEC. 714. AMENDMENTS CONCERNING INCOME WITHHOLD-**  
9                           **ING.**

10           (a) MANDATORY INCOME WITHHOLDING.—

11                   (1) IN GENERAL.—Section 466(a)(1) (42  
12           U.S.C. 666(a)(1)) is amended to read as follows:

13                           “(1) INCOME WITHHOLDING.—

14                                   “(A) UNDER ORDERS ENFORCED UNDER  
15                           THE STATE PLAN.—Procedures described in  
16                           subsection (b) for the withholding from income  
17                           of amounts payable as support in cases subject  
18                           to enforcement under the State plan.

19                                   “(B) UNDER CERTAIN ORDERS PREDATING  
20                           CHANGE IN REQUIREMENT.—Procedures under  
21                           which the wages of a person with a support ob-  
22                           ligation imposed by a support order issued (or  
23                           modified) in the State before October 1, 1996,  
24                           if not otherwise subject to withholding under  
25                           subsection (b), shall become subject to with-



1 holding as provided in subsection (b) if arrear-  
2 ages occur, without the need for a judicial or  
3 administrative hearing.”.

4 (2) CONFORMING AMENDMENTS.—

5 (A) Section 466(a)(8)(B)(iii) (42 U.S.C.  
6 666(a)(8)(B)(iii)) is amended—

7 (i) by striking “(5),”; and

8 (ii) by inserting “, and, at the option  
9 of the State, the requirements of sub-  
10 section (b)(5)” before the period.

11 (B) Section 466(b) (42 U.S.C. 666(b)) is  
12 amended in the matter preceding paragraph  
13 (1), by striking “subsection (a)(1)” and insert-  
14 ing “subsection (a)(1)(A)”.

15 (C) Section 466(b)(5) (42 U.S.C.  
16 666(b)(5)) is amended by striking all that fol-  
17 lows “administered by” and inserting “the  
18 State through the State disbursement unit es-  
19 tablished pursuant to section 454B, in accord-  
20 ance with the requirements of section 454B.”.

21 (D) Section 466(b)(6)(A) (42 U.S.C.  
22 666(b)(6)(A)) is amended—

23 (i) in clause (i), by striking “to the  
24 appropriate agency” and all that follows  
25 and inserting “to the State disbursement

1 unit within 2 business days after the date  
2 the amount would (but for this subsection)  
3 have been paid or credited to the employee,  
4 for distribution in accordance with this  
5 part.”;

6 (ii) in clause (ii), by inserting “be in  
7 a standard format prescribed by the Sec-  
8 retary, and” after “shall”; and

9 (iii) by adding at the end the follow-  
10 ing:

11 “(iii) As used in this subparagraph, the term  
12 ‘business day’ means a day on which State offices  
13 are open for regular business.”.

14 (E) Section 466(b)(6)(D) (42 U.S.C.  
15 666(b)(6)(D)) is amended by striking “any em-  
16 ployer” and all that follows and inserting the  
17 following:

18 “any employer who—

19 “(i) discharges from employment, refuses  
20 to employ, or takes disciplinary action against  
21 any absent parent subject to wage withholding  
22 required by this subsection because of the exist-  
23 ence of such withholding and the obligations or  
24 additional obligations which is imposes upon the  
25 employer; or



1 **SEC. 716. EXPANSION OF THE FEDERAL PARENT LOCATOR**  
2 **SERVICE.**

3 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-  
4 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is  
5 amended—

6 (1) in subsection (a), by striking all that follows  
7 “subsection (c))” and inserting “, for the purpose of  
8 establishing parentage, establishing, setting the  
9 amount of, modifying, or enforcing child support ob-  
10 ligations—

11 “(1) information on, or facilitating the discov-  
12 ery of, the location of any individual—

13 “(A) who is under an obligation to pay  
14 child support;

15 “(B) against whom such an obligation is  
16 sought; or

17 “(C) to whom such an obligation is owed,  
18 including the individual’s social security number (or  
19 numbers), most recent address, and the name, ad-  
20 dress, and employer identification number of the in-  
21 dividual’s employer; and

22 “(2) information on the individual’s wages (or  
23 other income) from, and benefits of, employment (in-  
24 cluding rights to or enrollment in group health care  
25 coverage).”; and

1           (2) in subsection (b), in the matter preceding  
2           paragraph (1), by striking “social security” and all  
3           that follows through “absent parent” and inserting  
4           “information described in subsection (a)”.

5           (b) REIMBURSEMENT FOR INFORMATION FROM FED-  
6           ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.  
7           653(e)(2)) is amended in the 4th sentence by inserting  
8           “in an amount which the Secretary determines to be rea-  
9           sonable payment for the information exchange (which  
10          amount shall not include payment for the costs of obtain-  
11          ing, compiling, or maintaining the information)” before  
12          the period.

13          (c) REIMBURSEMENT FOR REPORTS BY STATE  
14          AGENCIES.—Section 453 (42 U.S.C. 653) is amended by  
15          adding at the end the following:

16          “(g) The Secretary may reimburse Federal and State  
17          agencies for the costs incurred by such entities in furnish-  
18          ing information requested by the Secretary under this sec-  
19          tion in an amount which the Secretary determines to be  
20          reasonable payment for the information exchange (which  
21          amount shall not include payment for the costs of obtain-  
22          ing, compiling, or maintaining the information).”.

23          (d) TECHNICAL AMENDMENTS.—

24                 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),  
25                 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),

1 653(b), 663(a), 663(e), and 663(f) are each amend-  
2 ed by inserting “Federal” before “Parent” each  
3 place such term appears.

4 (2) Section 453 (42 U.S.C. 653) is amended in  
5 the heading by adding “FEDERAL” before “PAR-  
6 ENT”.

7 (e) NEW COMPONENTS.—Section 453 (42 U.S.C.  
8 653), as amended by subsection (c) of this section, is  
9 amended by adding at the end the following:

10 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT  
11 ORDERS.—

12 “(1) IN GENERAL.—Not later than October 1,  
13 1998, in order to assist States in administering pro-  
14 grams under State plans approved under this part  
15 and programs funded under part A, and for the  
16 other purposes specified in this section, the Sec-  
17 retary shall establish and maintain in the Federal  
18 Parent Locator Service an automated registry  
19 (which shall be known as the ‘Federal Case Registry  
20 of Child Support Orders’), which shall contain ab-  
21 stracts of support orders and other information de-  
22 scribed in paragraph (2) with respect to each case  
23 in each State case registry maintained pursuant to  
24 section 454A(e), as furnished (and regularly up-

1 dated), pursuant to section 454A(f), by State agen-  
2 cies administering programs under this part.

3 “(2) CASE INFORMATION.—The information re-  
4 ferred to in paragraph (1) with respect to a case  
5 shall be such information as the Secretary may  
6 specify in regulations (including the names, social  
7 security numbers or other uniform identification  
8 numbers, and State case identification numbers) to  
9 identify the individuals who owe or are owed support  
10 (or with respect to or on behalf of whom support ob-  
11 ligations are sought to be established), and the State  
12 or States which have the case.

13 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

14 “(1) IN GENERAL.—In order to assist States in  
15 administering programs under State plans approved  
16 under this part and programs funded under part A,  
17 and for the other purposes specified in this section,  
18 the Secretary shall, not later than October 1, 1996,  
19 establish and maintain in the Federal Parent Loca-  
20 tor Service an automated directory to be known as  
21 the National Directory of New Hires, which shall  
22 contain the information supplied pursuant to section  
23 453A(f)(2).

24 “(2) ADMINISTRATION OF FEDERAL TAX  
25 LAWS.—The Secretary of the Treasury shall have

1 access to the information in the Federal Directory of  
2 New Hires for purposes of administering section 32  
3 of the Internal Revenue Code of 1986, or the ad-  
4 vance payment of the earned income tax credit  
5 under section 3507 of such Code, and verifying a  
6 claim with respect to employment in a tax return.

7 “(j) INFORMATION COMPARISONS AND OTHER DIS-  
8 CLOSURES.—

9 “(1) VERIFICATION BY SOCIAL SECURITY AD-  
10 MINISTRATION.—

11 “(A) The Secretary shall transmit informa-  
12 tion on individuals and employers maintained  
13 under this section to the Social Security Admin-  
14 istration to the extent necessary for verification  
15 in accordance with subparagraph (B).

16 “(B) The Social Security Administration  
17 shall verify the accuracy of, correct, or supply  
18 to the extent possible, and report to the Sec-  
19 retary, the following information supplied by  
20 the Secretary pursuant to subparagraph (A):

21 “(i) The name, social security num-  
22 ber, and birth date of each such individual.

23 “(ii) The employer identification num-  
24 ber of each such employer.



1           “(2) INFORMATION COMPARISONS.—For the  
2           purpose of locating individuals in a paternity estab-  
3           lishment case or a case involving the establishment,  
4           modification, or enforcement of a support order, the  
5           Secretary shall—

6                   “(A) compare information in the National  
7           Directory of New Hires against information in  
8           the support order abstracts in the Federal Case  
9           Registry of Child Support Orders not less often  
10          than every 2 business days; and

11                   “(B) within 2 such days after such a com-  
12          parison reveals a match with respect to an indi-  
13          vidual, report the information to the State  
14          agency responsible for the case.

15           “(3) INFORMATION COMPARISONS AND DISCLO-  
16          SURES OF INFORMATION IN ALL REGISTRIES FOR  
17          TITLE IV PROGRAM PURPOSES.—To the extent and  
18          with the frequency that the Secretary determines to  
19          be effective in assisting States to carry out their re-  
20          sponsibilities under programs operated under this  
21          part and programs funded under part A, the Sec-  
22          retary shall—

23                   “(A) compare the information in each com-  
24          ponent of the Federal Parent Locator Service  
25          maintained under this section against the infor-

1           mation in each other such component (other  
2           than the comparison required by paragraph  
3           (2)), and report instances in which such a com-  
4           parison reveals a match with respect to an indi-  
5           vidual to State agencies operating such pro-  
6           grams; and

7           “(B) disclose information in such registries  
8           to such State agencies.

9           “(4) PROVISION OF NEW HIRE INFORMATION  
10          TO THE SOCIAL SECURITY ADMINISTRATION.—The  
11          National Directory of New Hires shall provide the  
12          Commissioner of Social Security with all information  
13          in the National Directory, which shall be used to de-  
14          termine the accuracy of payments under the supple-  
15          mental security income program under title XVI and  
16          in connection with benefits under title II.

17          “(5) RESEARCH.—The Secretary may provide  
18          access to information reported by employers pursu-  
19          ant to section 453A(b) for research purposes found  
20          by the Secretary to be likely to contribute to achiev-  
21          ing the purposes of part A or this part, but without  
22          personal identifiers.

23          “(k) FEES.—

24          “(1) FOR SSA VERIFICATION.—The Secretary  
25          shall reimburse the Commissioner of Social Security,

1 at a rate negotiated between the Secretary and the  
2 Commissioner, for the costs incurred by the Com-  
3 missioner in performing the verification services de-  
4 scribed in subsection (j).

5 “(2) FOR INFORMATION FROM STATE DIREC-  
6 TORIES OF NEW HIRES.—The Secretary shall reim-  
7 burse costs incurred by State directories of new  
8 hires in furnishing information as required by sub-  
9 section (j)(3), at rates which the Secretary deter-  
10 mines to be reasonable (which rates shall not include  
11 payment for the costs of obtaining, compiling, or  
12 maintaining such information).

13 “(3) FOR INFORMATION FURNISHED TO STATE  
14 AND FEDERAL AGENCIES.—A State or Federal agen-  
15 cy that receives information from the Secretary pur-  
16 suant to this section shall reimburse the Secretary  
17 for costs incurred by the Secretary in furnishing the  
18 information, at rates which the Secretary determines  
19 to be reasonable (which rates shall include payment  
20 for the costs of obtaining, verifying, maintaining,  
21 and comparing the information).

22 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-  
23 formation in the Federal Parent Locator Service, and in-  
24 formation resulting from comparisons using such informa-  
25 tion, shall not be used or disclosed except as expressly pro-

1 vided in this section, subject to section 6103 of the Inter-  
2 nal Revenue Code of 1986.

3 “(m) INFORMATION INTEGRITY AND SECURITY.—  
4 The Secretary shall establish and implement safeguards  
5 with respect to the entities established under this section  
6 designed to—

7 “(1) ensure the accuracy and completeness of  
8 information in the Federal Parent Locator Service;  
9 and

10 “(2) restrict access to confidential information  
11 in the Federal Parent Locator Service to authorized  
12 persons, and restrict use of such information to au-  
13 thorized purposes.”.

14 (f) CONFORMING AMENDMENTS.—

15 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-  
16 CURITY ACT.—Section 454(8)(B) (42 U.S.C.  
17 654(8)(B)) is amended to read as follows:

18 “(B) the Federal Parent Locator Service  
19 established under section 453;”.

20 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—  
21 Section 3304(a)(16) of the Internal Revenue Code of  
22 1986 is amended—

23 (A) by striking “Secretary of Health, Edu-  
24 cation, and Welfare” each place such term ap-

1           pears and inserting “Secretary of Health and  
2           Human Services”;

3           (B) in subparagraph (B), by striking  
4           “such information” and all that follows and in-  
5           serting “information furnished under subpara-  
6           graph (A) or (B) is used only for the purposes  
7           authorized under such subparagraph;”;

8           (C) by striking “and” at the end of sub-  
9           paragraph (A);

10          (D) by redesignating subparagraph (B) as  
11          subparagraph (C); and

12          (E) by inserting after subparagraph (A)  
13          the following new subparagraph:

14                 “(B) wage and unemployment compensa-  
15                 tion information contained in the records of  
16                 such agency shall be furnished to the Secretary  
17                 of Health and Human Services (in accordance  
18                 with regulations promulgated by such Sec-  
19                 retary) as necessary for the purposes of the Na-  
20                 tional Directory of New Hires established under  
21                 section 453(i) of the Social Security Act, and”.

22          (3) TO STATE GRANT PROGRAM UNDER TITLE  
23          III OF THE SOCIAL SECURITY ACT.—Section 303(a)  
24          (42 U.S.C. 503(a)) is amended—

1 (A) by striking “and” at the end of para-  
2 graph (8);

3 (B) by striking “and” at the end of para-  
4 graph (9);

5 (C) by striking the period at the end of  
6 paragraph (10) and inserting “; and”; and

7 (D) by adding after paragraph (10) the  
8 following:

9 “(11) The making of quarterly electronic re-  
10 ports, at such dates, in such format, and containing  
11 such information, as required by the Secretary of  
12 Health and Human Services under section 453(i)(3),  
13 and compliance with such provisions as such Sec-  
14 retary may find necessary to ensure the correctness  
15 and verification of such reports.”.

16 **SEC. 717. COLLECTION AND USE OF SOCIAL SECURITY**  
17 **NUMBERS FOR USE IN CHILD SUPPORT EN-**  
18 **FORCEMENT.**

19 (a) STATE LAW REQUIREMENT.—Section 466(a) (42  
20 U.S.C. 666(a)), as amended by section 715 of this Act,  
21 is amended by adding at the end the following:

22 “(13) RECORDING OF SOCIAL SECURITY NUM-  
23 BERS IN CERTAIN FAMILY MATTERS.—Procedures  
24 requiring that the social security number of—

1           “(A) any applicant for a professional li-  
2           cense, commercial driver’s license, occupational  
3           license, or marriage license be recorded on the  
4           application;

5           “(B) any individual who is subject to a di-  
6           vorce decree, support order, or paternity deter-  
7           mination or acknowledgment be placed in the  
8           records relating to the matter; and

9           “(C) any individual who has died be placed  
10          in the records relating to the death and be re-  
11          corded on the death certificate.”.

12          (b)       CONFORMING        AMENDMENTS.—Section  
13          205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by  
14          section 321(a)(9) of the Social Security Independence and  
15          Program Improvements Act of 1994, is amended—

16               (1) in clause (i), by striking “may require” and  
17               inserting “shall require”;

18               (2) in clause (ii), by inserting after the 1st sen-  
19               tence the following: “In the administration of any  
20               law involving the issuance of a marriage certificate  
21               or license, each State shall require each party named  
22               in the certificate or license to furnish to the State  
23               (or political subdivision thereof) or any State agency  
24               having administrative responsibility for the law in-  
25               volved, the social security number of the party.”;

1           (3) in clause (vi), by striking “may” and insert-  
2           ing “shall”; and

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

4                   “(x) An agency of a State (or a politi-  
5                   cal subdivision thereof) charged with the  
6                   administration of any law concerning the  
7                   issuance or renewal of a license, certificate,  
8                   permit, or other authorization to engage in  
9                   a profession, an occupation, or a commer-  
10                  cial activity shall require all applicants for  
11                  issuance or renewal of the license, certifi-  
12                  cate, permit, or other authorization to pro-  
13                  vide the applicant’s social security number  
14                  to the agency for the purpose of admin-  
15                  istering such laws, and for the purpose of  
16                  responding to requests for information  
17                  from an agency operating pursuant to part  
18                  D of title IV.

19                   “(xi) All divorce decrees, support or-  
20                   ders, and paternity determinations issued,  
21                   and all paternity acknowledgments made,  
22                   in each State shall include the social secu-  
23                   rity number of each party to the decree,  
24                   order, determination, or acknowledgement  
25                   in the records relating to the matter.”.



1           **Subtitle C—Streamlining and**  
2           **Uniformity of Procedures**

3   **SEC. 721. ADOPTION OF UNIFORM STATE LAWS.**

4           Section 466 (42 U.S.C. 666) is amended by adding  
5 at the end the following:

6           “(f) UNIFORM INTERSTATE FAMILY SUPPORT  
7 ACT.—

8                   “(1) ENACTMENT AND USE.—In order to sat-  
9 isfy section 454(20)(A) on or after January 1, 1997,  
10 each State must have in effect the Uniform Inter-  
11 state Family Support Act, as approved by the Na-  
12 tional Conference of Commissioners on Uniform  
13 State Laws in August 1992 (with the modifications  
14 and additions specified in this subsection), and the  
15 procedures required to implement such Act.

16                   “(2) EXPANDED APPLICATION.—The State law  
17 enacted pursuant to paragraph (1) shall be applied  
18 to any case involving an order which is established  
19 or modified in a State and which is sought to be  
20 modified or enforced in another State.

21                   “(3) JURISDICTION TO MODIFY ORDERS.—The  
22 State law enacted pursuant to paragraph (1) of this  
23 subsection shall contain the following provision in  
24 lieu of section 611(a)(1) of the Uniform Interstate  
25 Family Support Act:

1 “(1) the following requirements are met:

2 “(i) the child, the individual obligee, and  
3 the obligor—

4 “(I) do not reside in the issuing  
5 State; and

6 “(II) either reside in this State or  
7 are subject to the jurisdiction of this State  
8 pursuant to section 201; and

9 “(ii) (in any case where another State is  
10 exercising or seeks to exercise jurisdiction to  
11 modify the order) the conditions of section 204  
12 are met to the same extent as required for pro-  
13 ceedings to establish orders; or’.

14 “(4) SERVICE OF PROCESS.—The State law en-  
15 acted pursuant to paragraph (1) shall provide that,  
16 in any proceeding subject to the law, process may be  
17 served (and proved) upon persons in the State by  
18 any means acceptable in any State which is the initi-  
19 ating or responding State in the proceeding.”.

20 **SEC. 722. IMPROVEMENTS TO FULL FAITH AND CREDIT**  
21 **FOR CHILD SUPPORT ORDERS.**

22 Section 1738B of title 28, United States Code, is  
23 amended—

24 (1) in subsection (a)(2), by striking “subsection  
25 (e)” and inserting “subsections (e), (f), and (i)”;

1           (2) in subsection (b), by inserting after the 2nd  
2           undesignated paragraph the following:

3           “ ‘child’s home State’ means the State in which  
4           a child lived with a parent or a person acting as par-  
5           ent for at least six consecutive months immediately  
6           preceding the time of filing of a petition or com-  
7           parable pleading for support and, if a child is less  
8           than six months old, the State in which the child  
9           lived from birth with any of them. A period of tem-  
10          porary absence of any of them is counted as part of  
11          the six-month period.”;

12          (3) in subsection (c), by inserting “by a court  
13          of a State” before “is made”;

14          (4) in subsection (c)(1), by inserting “and sub-  
15          sections (e), (f), and (g)” after “located”;

16          (5) in subsection (d)—

17                 (A) by inserting “individual” before “con-  
18                 testant”; and

19                 (B) by striking “subsection (e)” and in-  
20                 serting “subsections (e) and (f)”;

21          (6) in subsection (e), by striking “make a modi-  
22          fication of a child support order with respect to a  
23          child that is made” and inserting “modify a child  
24          support order issued”;

1 (7) in subsection (e)(1), by inserting “pursuant  
2 to subsection (i)” before the semicolon;

3 (8) in subsection (e)(2)—

4 (A) by inserting “individual” before “con-  
5 testant” each place such term appears; and

6 (B) by striking “to that court’s making the  
7 modification and assuming” and inserting “with  
8 the State of continuing, exclusive jurisdiction  
9 for a court of another State to modify the order  
10 and assume”;

11 (9) by redesignating subsections (f) and (g) as  
12 subsections (g) and (h), respectively;

13 (10) by inserting after subsection (e) the follow-  
14 ing:

15 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—  
16 If one or more child support orders have been issued in  
17 this or another State with regard to an obligor and a child,  
18 a court shall apply the following rules in determining  
19 which order to recognize for purposes of continuing, exclu-  
20 sive jurisdiction and enforcement:

21 “(1) If only one court has issued a child sup-  
22 port order, the order of that court must be recog-  
23 nized.

24 “(2) If two or more courts have issued child  
25 support orders for the same obligor and child, and

1 only one of the courts would have continuing, exclu-  
2 sive jurisdiction under this section, the order of that  
3 court must be recognized.

4 “(3) If two or more courts have issued child  
5 support orders for the same obligor and child, and  
6 only one of the courts would have continuing, exclu-  
7 sive jurisdiction under this section, an order issued  
8 by a court in the current home State of the child  
9 must be recognized, but if an order has not been is-  
10 sued in the current home State of the child, the  
11 order most recently issued must be recognized.

12 “(4) If two or more courts have issued child  
13 support orders for the same obligor and child, and  
14 none of the courts would have continuing, exclusive  
15 jurisdiction under this section, a court may issue a  
16 child support order, which must be recognized.

17 “(5) The court that has issued an order recog-  
18 nized under this subsection is the court having con-  
19 tinuing, exclusive jurisdiction.”;

20 (11) in subsection (g) (as so redesignated)—

21 (A) by striking “PRIOR” and inserting  
22 “MODIFIED”; and

23 (B) by striking “subsection (e)” and in-  
24 serting “subsections (e) and (f)”;

25 (12) in subsection (h) (as so redesignated)—

1 (A) in paragraph (2), by inserting “includ-  
2 ing the duration of current payments and other  
3 obligations of support” before the comma; and

4 (B) in paragraph (3), by inserting “arrears  
5 under” after “enforce”; and

6 (13) by adding at the end the following:

7 “(i) REGISTRATION FOR MODIFICATION.—If there is  
8 no individual contestant or child residing in the issuing  
9 State, the party or support enforcement agency seeking  
10 to modify, or to modify and enforce, a child support order  
11 issued in another State shall register that order in a State  
12 with jurisdiction over the nonmovant for the purpose of  
13 modification.”.

14 **SEC. 723. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**  
15 **CASES.**

16 Section 466(a) (42 U.S.C. 666(a)), as amended by  
17 sections 715 and 717(a) of this Act, is amended by adding  
18 at the end the following:

19 “(14) ADMINISTRATIVE ENFORCEMENT IN  
20 INTERSTATE CASES.—Procedures under which—

21 “(A)(i) the State shall respond within 5  
22 business days to a request made by another  
23 State to enforce a support order; and

1           “(ii) the term ‘business day’ means a day  
2           on which State offices are open for regular  
3           business;

4           “(B) the State may, by electronic or other  
5           means, transmit to another State a request for  
6           assistance in a case involving the enforcement  
7           of a support order, which request—

8                   “(i) shall include such information as  
9                   will enable the State to which the request  
10                  is transmitted to compare the information  
11                  about the case to the information in the  
12                  data bases of the State; and

13                   “(ii) shall constitute a certification by  
14                  the requesting State—

15                           “(I) of the amount of support  
16                           under the order the payment of which  
17                           is in arrears; and

18                           “(II) that the requesting State  
19                           has complied with all procedural due  
20                           process requirements applicable to the  
21                           case;

22           “(C) if the State provides assistance to an-  
23           other State pursuant to this paragraph with re-  
24           spect to a case, neither State shall consider the

1 case to be transferred to the caseload of such  
2 other State; and

3 “(D) the State shall maintain records of—

4 “(i) the number of such requests for  
5 assistance received by the State;

6 “(ii) the number of cases for which  
7 the State collected support in response to  
8 such a request; and

9 “(iii) the amount of such collected  
10 support.”.

11 **SEC. 724. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

12 (a) PROMULGATION.—Section 452(a) (42 U.S.C.  
13 652(a)) is amended—

14 (1) by striking “and” at the end of paragraph

15 (9);

16 (2) by striking the period at the end of para-  
17 graph (10) and inserting “; and”; and

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

19 “(11) not later than June 30, 1996, promulgate  
20 forms to be used by States in interstate cases for—

21 “(A) collection of child support through in-  
22 come withholding;

23 “(B) imposition of liens; and

24 “(C) administrative subpoenas.”.



1 (b) USE BY STATES.—Section 454(9) (42 U.S.C.  
2 654(9)) is amended—

3 (1) by striking “and” at the end of subpara-  
4 graph (C);

5 (2) by inserting “and” at the end of subpara-  
6 graph (D); and

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

8 “(E) no later than October 1, 1996, in  
9 using the forms promulgated pursuant to sec-  
10 tion 452(a)(11) for income withholding, imposi-  
11 tion of liens, and issuance of administrative  
12 subpoenas in interstate child support cases;”.

13 **SEC. 725. STATE LAWS PROVIDING EXPEDITED PROCE-**  
14 **DURES.**

15 (a) STATE LAW REQUIREMENTS.—Section 466 (42  
16 U.S.C. 666), as amended by section 714 of this Act, is  
17 amended—

18 (1) in subsection (a)(2), by striking the 1st sen-  
19 tence and inserting the following: “Expedited admin-  
20 istrative and judicial procedures (including the pro-  
21 cedures specified in subsection (c)) for establishing  
22 paternity and for establishing, modifying, and en-  
23 forcing support obligations.”; and

24 (2) by inserting after subsection (b) the follow-  
25 ing:

1       “(c) EXPEDITED PROCEDURES.—The procedures  
2 specified in this subsection are the following:

3           “(1) ADMINISTRATIVE ACTION BY STATE AGEN-  
4 CY.—Procedures which give the State agency the au-  
5 thority to take the following actions relating to es-  
6 tablishment or enforcement of support orders, with-  
7 out the necessity of obtaining an order from any  
8 other judicial or administrative tribunal (but subject  
9 to due process safeguards, including (as appropriate)  
10 requirements for notice, opportunity to contest the  
11 action, and opportunity for an appeal on the record  
12 to an independent administrative or judicial tribu-  
13 nal), and to recognize and enforce the authority of  
14 State agencies of other States) to take the following  
15 actions:

16           “(A) GENETIC TESTING.—To order genetic  
17 testing for the purpose of paternity establish-  
18 ment as provided in section 466(a)(5).

19           “(B) DEFAULT ORDERS.—To enter a de-  
20 fault order, upon a showing of service of proc-  
21 ess and any additional showing required by  
22 State law—

23           “(i) establishing paternity, in the case  
24 of a putative father who refuses to submit  
25 to genetic testing; and

1           “(ii) establishing or modifying a sup-  
2           port obligation, in the case of a parent (or  
3           other obligor or obligee) who fails to re-  
4           spond to notice to appear at a proceeding  
5           for such purpose.

6           “(C) SUBPOENAS.—To subpoena any fi-  
7           nancial or other information needed to estab-  
8           lish, modify, or enforce a support order, and to  
9           impose penalties for failure to respond to such  
10          a subpoena.

11          “(D) ACCESS TO PERSONAL AND FINAN-  
12          CIAL INFORMATION.—To obtain access, subject  
13          to safeguards on privacy and information secu-  
14          rity, to the records of all other State and local  
15          government agencies (including law enforcement  
16          and corrections records), including automated  
17          access to records maintained in automated data  
18          bases.

19          “(E) CHANGE IN PAYEE.—In cases where  
20          support is subject to an assignment in order to  
21          comply with a requirement imposed pursuant to  
22          part A or section 1912, or to a requirement to  
23          pay through the State disbursement unit estab-  
24          lished pursuant to section 454B, upon provid-  
25          ing notice to obligor and obligee, to direct the

1 obligor or other payor to change the payee to  
2 the appropriate government entity.

3 “(F) INCOME WITHHOLDING.—To order  
4 income withholding in accordance with sub-  
5 sections (a)(1) and (b) of section 466.

6 “(G) SECURING ASSETS.—In cases in  
7 which there is a support arrearage, to secure  
8 assets to satisfy the arrearage by—

9 “(i) intercepting or seizing periodic or  
10 lump sum payments from—

11 “(I) a State or local agency (in-  
12 cluding unemployment compensation,  
13 workers’ compensation, and other ben-  
14 efits); and

15 “(II) judgments, settlements, and  
16 lotteries;

17 “(ii) attaching and seizing assets of  
18 the obligor held in financial institutions;  
19 and

20 “(iii) attaching public and private re-  
21 tirement funds.

22 “(H) INCREASE MONTHLY PAYMENTS.—  
23 For the purpose of securing overdue support, to  
24 increase the amount of monthly support pay-  
25 ments to include amounts for arrearages (sub-

1           ject to such conditions or limitations as the  
2           State may provide).

3           “(2) SUBSTANTIVE AND PROCEDURAL RULES.—  
4           The expedited procedures required under subsection  
5           (a)(2) shall include the following rules and author-  
6           ity, applicable with respect to all proceedings to es-  
7           tablish paternity or to establish, modify, or enforce  
8           support orders:

9                   “(A) LOCATOR INFORMATION; PRESUMP-  
10                   TIONS CONCERNING NOTICE.—Procedures  
11                   under which—

12                           “(i) each party to any paternity or  
13                           child support proceeding is required (sub-  
14                           ject to privacy safeguards) to file with the  
15                           tribunal and the State case registry upon  
16                           entry of an order, and to update as appro-  
17                           priate, information on location and identity  
18                           of the party (including social security num-  
19                           ber, residential and mailing addresses, tele-  
20                           phone number, driver’s license number,  
21                           and name, address, and name and tele-  
22                           phone number of employer); and

23                           “(ii) in any subsequent child support  
24                           enforcement action between the parties,  
25                           upon sufficient showing that diligent effort

1 has been made to ascertain the location of  
2 such a party, the tribunal may deem State  
3 due process requirements for notice and  
4 service of process to be met with respect to  
5 the party, upon delivery of written notice  
6 to the most recent residential or employer  
7 address filed with the tribunal pursuant to  
8 clause (i).

9 “(B) STATEWIDE JURISDICTION.—Proce-  
10 dures under which—

11 “(i) the State agency and any admin-  
12 istrative or judicial tribunal with authority  
13 to hear child support and paternity cases  
14 exerts statewide jurisdiction over the par-  
15 ties; and

16 “(ii) in a State in which orders are is-  
17 sued by courts or administrative tribunals,  
18 a case may be transferred between admin-  
19 istrative areas in the State without need  
20 for any additional filing by the petitioner,  
21 or service of process upon the respondent,  
22 to retain jurisdiction over the parties.”.

23 (b) AUTOMATION OF STATE AGENCY FUNCTIONS.—

24 Section 454A, as added by section 745(a)(2) of this Act

1 and as amended by sections 711 and 712(c) of this Act,  
2 is amended by adding at the end the following:

3 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—  
4 The automated system required by this section shall be  
5 used, to the maximum extent feasible, to implement the  
6 expedited administrative procedures required by section  
7 466(c).”.

## 8 **Subtitle D—Paternity**

### 9 **Establishment**

10 **SEC. 731. STATE LAWS CONCERNING PATERNITY ESTAB-**  
11 **LISHMENT.**

12 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42  
13 U.S.C. 666(a)(5)) is amended to read as follows:

14 “(5) PROCEDURES CONCERNING PATERNITY ES-  
15 TABLISHMENT.—

16 “(A) ESTABLISHMENT PROCESS AVAIL-  
17 ABLE FROM BIRTH UNTIL AGE 18.—

18 “(i) Procedures which permit the es-  
19 tablishment of the paternity of a child at  
20 any time before the child attains 18 years  
21 of age.

22 “(ii) As of August 16, 1984, clause (i)  
23 shall also apply to a child for whom pater-  
24 nity has not been established or for whom  
25 a paternity action was brought but dis-

1 missed because a statute of limitations of  
2 less than 18 years was then in effect in the  
3 State.

4 “(B) PROCEDURES CONCERNING GENETIC  
5 TESTING.—

6 “(i) GENETIC TESTING REQUIRED IN  
7 CERTAIN CONTESTED CASES.—Procedures  
8 under which the State is required, in a  
9 contested paternity case, to require the  
10 child and all other parties (other than indi-  
11 viduals found under section 454(28) to  
12 have good cause for refusing to cooperate)  
13 to submit to genetic tests upon the request  
14 of any such party if the request is sup-  
15 ported by a sworn statement by the  
16 party—

17 “(I) alleging paternity, and set-  
18 ting forth facts establishing a reason-  
19 able possibility of the requisite sexual  
20 contact between the parties; or

21 “(II) denying paternity, and set-  
22 ting forth facts establishing a reason-  
23 able possibility of the nonexistence of  
24 sexual contact between the parties.



1           “(ii) OTHER REQUIREMENTS.—Proce-  
2           dures which require the State agency, in  
3           any case in which the agency orders ge-  
4           netic testing—

5                   “(I) to pay costs of such tests,  
6                   subject to recoupment (where the  
7                   State so elects) from the alleged fa-  
8                   ther if paternity is established; and

9                   “(II) to obtain additional testing  
10                  in any case where an original test re-  
11                  sult is contested, upon request and  
12                  advance payment by the contestant.

13           “(C) VOLUNTARY PATERNITY ACKNOWLEDG-  
14           EDGMENT.—

15                   “(i) SIMPLE CIVIL PROCESS.—Proce-  
16                   dures for a simple civil process for volun-  
17                   tarily acknowledging paternity under which  
18                   the State must provide that, before a  
19                   mother and a putative father can sign an  
20                   acknowledgment of paternity, the mother  
21                   and the putative father must be given no-  
22                   tice, orally, in writing, and in a language  
23                   that each can understand, of the alter-  
24                   natives to, the legal consequences of, and  
25                   the rights (including, if 1 parent is a

1 minor, any rights afforded due to minority  
2 status) and responsibilities that arise from,  
3 signing the acknowledgment.

4 “(ii) HOSPITAL-BASED PROGRAM.—  
5 Such procedures must include a hospital-  
6 based program for the voluntary acknowl-  
7 edgment of paternity focusing on the pe-  
8 riod immediately before or after the birth  
9 of a child.

10 “(iii) PATERNITY ESTABLISHMENT  
11 SERVICES.—

12 “(I) STATE-OFFERED SERV-  
13 ICES.—Such procedures must require  
14 the State agency responsible for main-  
15 taining birth records to offer vol-  
16 untary paternity establishment serv-  
17 ices.

18 “(II) REGULATIONS.—

19 “(aa) SERVICES OFFERED  
20 BY HOSPITALS AND BIRTH  
21 RECORD AGENCIES.—The Sec-  
22 retary shall prescribe regulations  
23 governing voluntary paternity es-  
24 tablishment services offered by

1 hospitals and birth record agen-  
2 cies.

3 “(bb) SERVICES OFFERED  
4 BY OTHER ENTITIES.—The Sec-  
5 retary shall prescribe regulations  
6 specifying the types of other enti-  
7 ties that may offer voluntary pa-  
8 ternity establishment services,  
9 and governing the provision of  
10 such services, which shall include  
11 a requirement that such an entity  
12 must use the same notice provi-  
13 sions used by, use the same ma-  
14 terials used by, provide the per-  
15 sonnel providing such services  
16 with the same training provided  
17 by, and evaluate the provision of  
18 such services in the same manner  
19 as the provision of such services  
20 is evaluated by, voluntary pater-  
21 nity establishment programs of  
22 hospitals and birth record agen-  
23 cies.

24 “(iv) USE OF FEDERAL PATERNITY  
25 ACKNOWLEDGMENT AFFIDAVIT.—Such

1 procedures must require the State and  
2 those required to establish paternity to use  
3 only the affidavit developed under section  
4 452(a)(7) for the voluntary acknowledg-  
5 ment of paternity, and to give full faith  
6 and credit to such an affidavit signed in  
7 any other State.

8 “(D) STATUS OF SIGNED PATERNITY AC-  
9 KNOWLEDGMENT.—

10 “(i) LEGAL FINDING OF PATER-  
11 NITY.—Procedures under which a signed  
12 acknowledgment of paternity is considered  
13 a legal finding of paternity, subject to the  
14 right of any signatory to rescind the ac-  
15 knowledgment within 60 days.

16 “(ii) CONTEST.—Procedures under  
17 which, after the 60-day period referred to  
18 in clause (i), a signed acknowledgment of  
19 paternity may be challenged in court only  
20 on the basis of fraud, duress, or material  
21 mistake of fact, with the burden of proof  
22 upon the challenger, and under which the  
23 legal responsibilities (including child sup-  
24 port obligations) of any signatory arising  
25 from the acknowledgment may not be sus-

1           pended during the challenge, except for  
2           good cause shown.

3           “(iii) RESCISSION.—Procedures under  
4           which, after the 60-day period referred to  
5           in clause (i), a minor who has signed an  
6           acknowledgment of paternity other than in  
7           the presence of a parent or court-appointed  
8           guardian ad litem may rescind the ac-  
9           knowledgment in a judicial or administra-  
10          tive proceeding, until the earlier of—

11                   “(I) attaining the age of major-  
12                   ity; or

13                   “(II) the date of the first judicial  
14                   or administrative proceeding brought  
15                   (after the signing) to establish a child  
16                   support obligation, visitation rights, or  
17                   custody rights with respect to the  
18                   child whose paternity is the subject of  
19                   the acknowledgment, and at which the  
20                   minor is represented by a parent or  
21                   guardian ad litem, or an attorney.

22           “(E) BAR ON ACKNOWLEDGMENT RATIFI-  
23          CATION PROCEEDINGS.—Procedures under  
24          which judicial or administrative proceedings are

1 not required or permitted to ratify an unchal-  
2 lenged acknowledgment of paternity.

3 “(F) ADMISSIBILITY OF GENETIC TESTING  
4 RESULTS.—Procedures—

5 “(i) requiring the admission into evi-  
6 dence, for purposes of establishing pater-  
7 nity, of the results of any genetic test that  
8 is—

9 “(I) of a type generally acknowl-  
10 edged as reliable by accreditation bod-  
11 ies designated by the Secretary; and

12 “(II) performed by a laboratory  
13 approved by such an accreditation  
14 body;

15 “(ii) requiring an objection to genetic  
16 testing results to be made in writing not  
17 later than a specified number of days be-  
18 fore any hearing at which the results may  
19 be introduced into evidence (or, at State  
20 option, not later than a specified number  
21 of days after receipt of the results); and

22 “(iii) making the test results admissi-  
23 ble as evidence of paternity without the  
24 need for foundation testimony or other

1 proof of authenticity or accuracy, unless  
2 objection is made.

3 “(G) PRESUMPTION OF PATERNITY IN  
4 CERTAIN CASES.—Procedures which create a re-  
5 buttable or, at the option of the State, conclu-  
6 sive presumption of paternity upon genetic test-  
7 ing results indicating a threshold probability  
8 that the alleged father is the father of the child.

9 “(H) DEFAULT ORDERS.—Procedures re-  
10 quiring a default order to be entered in a pater-  
11 nity case upon a showing of service of process  
12 on the defendant and any additional showing  
13 required by State law.

14 “(I) NO RIGHT TO JURY TRIAL.—Proce-  
15 dures providing that the parties to an action to  
16 establish paternity are not entitled to a trial by  
17 jury.

18 “(J) TEMPORARY SUPPORT ORDER BASED  
19 ON PROBABLE PATERNITY IN CONTESTED  
20 CASES.—Procedures which require that a tem-  
21 porary order be issued, upon motion by a party,  
22 requiring the provision of child support pending  
23 an administrative or judicial determination of  
24 parentage, where there is clear and convincing

1 evidence of paternity (on the basis of genetic  
2 tests or other evidence).

3 “(K) PROOF OF CERTAIN SUPPORT AND  
4 PATERNITY ESTABLISHMENT COSTS.—Proce-  
5 dures under which bills for pregnancy, child-  
6 birth, and genetic testing are admissible as evi-  
7 dence without requiring third-party foundation  
8 testimony, and shall constitute prima facie evi-  
9 dence of amounts incurred for such services or  
10 for testing on behalf of the child.

11 “(L) STANDING OF PUTATIVE FATHERS.—  
12 Procedures ensuring that the putative father  
13 has a reasonable opportunity to initiate a pater-  
14 nity action.

15 “(M) FILING OF ACKNOWLEDGMENTS AND  
16 ADJUDICATIONS IN STATE REGISTRY OF BIRTH  
17 RECORDS.—Procedures under which voluntary  
18 acknowledgments and adjudications of paternity  
19 by judicial or administrative processes are filed  
20 with the State registry of birth records for com-  
21 parison with information in the State case reg-  
22 istry.”.

23 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-  
24 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is  
25 amended by inserting “, and develop an affidavit to be



1 used for the voluntary acknowledgment of paternity which  
2 shall include the social security number of each parent”  
3 before the semicolon.

4 (c) TECHNICAL AMENDMENT.—Section 468 (42  
5 U.S.C. 668) is amended by striking “a simple civil process  
6 for voluntarily acknowledging paternity and”.

7 **SEC. 732. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**  
8 **LISHMENT.**

9 Section 454(23) (42 U.S.C. 654(23)) is amended by  
10 inserting “and will publicize the availability and encourage  
11 the use of procedures for voluntary establishment of pater-  
12 nity and child support by means the State deems appro-  
13 priate” before the semicolon.

14 **SEC. 733. COOPERATION BY APPLICANTS FOR AND RECIPI-**  
15 **ENTS OF TEMPORARY FAMILY ASSISTANCE.**

16 Section 454 (42 U.S.C. 654), as amended by sections  
17 703(a), 712(a), and 713(a) of this Act, is amended—

18 (1) by striking “and” at the end of paragraph

19 (26);

20 (2) by striking the period at the end of para-  
21 graph (27) and inserting “; and”; and

22 (3) by inserting after paragraph (27) the fol-  
23 lowing:

24 “(28) provide that the State agency responsible  
25 for administering the State plan—

1           “(A) shall require each individual who has  
2           applied for or is receiving assistance under the  
3           State program funded under part A to cooper-  
4           ate with the State in establishing the paternity  
5           of, and in establishing, modifying, or enforcing  
6           a support order for, any child of the individual  
7           by providing the State agency with the name of,  
8           and such other information as the State agency  
9           may require with respect to, the father of the  
10          child, subject to such good cause and other ex-  
11          ceptions as the State may establish; and

12           “(B) may require the individual and the  
13          child to submit to genetic tests.”.

14                           **Subtitle E—Program**  
15                   **Administration and Funding**

16   **SEC. 741. FEDERAL MATCHING PAYMENTS.**

17           (a) INCREASED BASE MATCHING RATE.—Section  
18   455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as  
19   follows:

20           “(2) The percent specified in this paragraph for any  
21   quarter is 66 percent.”.

22           (b) MAINTENANCE OF EFFORT.—Section 455 (42  
23   U.S.C. 655) is amended—

1 (1) in subsection (a)(1), in the matter preced-  
2 ing subparagraph (A), by striking “From” and in-  
3 serting “Subject to subsection (c), from”; and

4 (2) by inserting after subsection (b) the follow-  
5 ing:

6 “(c) MAINTENANCE OF EFFORT.—Notwithstanding  
7 subsection (a), the total expenditures under the State plan  
8 approved under this part for fiscal year 1997 and each  
9 succeeding fiscal year, reduced by the percentage specified  
10 in paragraph (2) for the fiscal year shall not be less than  
11 such total expenditures for fiscal year 1996, reduced by  
12 66 percent.”.

13 **SEC. 742. PERFORMANCE-BASED INCENTIVES AND PEN-**  
14 **ALTIES.**

15 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-  
16 ING RATE.—Section 458 (42 U.S.C. 658) is amended to  
17 read as follows:

18 **“SEC. 458. INCENTIVE ADJUSTMENTS TO MATCHING RATE.**

19 “(a) INCENTIVE ADJUSTMENTS.—

20 “(1) IN GENERAL.—Beginning with fiscal year  
21 1999, the Secretary shall increase the percent speci-  
22 fied in section 455(a)(2) that applies to payments to  
23 a State under section 455(a)(1)(A) for each quarter  
24 in a fiscal year by a factor reflecting the sum of the  
25 applicable incentive adjustments (if any) determined

1 in accordance with regulations under this section  
2 with respect to the paternity establishment percent-  
3 age of the State for the immediately preceding fiscal  
4 year and with respect to overall performance of the  
5 State in child support enforcement during such pre-  
6 ceding fiscal year.

7 “(2) STANDARDS.—

8 “(A) IN GENERAL.—The Secretary shall  
9 specify in regulations—

10 “(i) the levels of accomplishment, and  
11 rates of improvement as alternatives to  
12 such levels, which a State must attain to  
13 qualify for an incentive adjustment under  
14 this section; and

15 “(ii) the amounts of incentive adjust-  
16 ment that shall be awarded to a State that  
17 achieves specified accomplishment or im-  
18 provement levels, which amounts shall be  
19 graduated, ranging up to—

20 “(I) 12 percentage points, in con-  
21 nection with paternity establishment;  
22 and

23 “(II) 12 percentage points, in  
24 connection with overall performance in  
25 child support enforcement.

1           “(B) LIMITATION.—In setting performance  
2 standards pursuant to subparagraph (A)(i) and  
3 adjustment amounts pursuant to subparagraph  
4 (A)(ii), the Secretary shall ensure that the ag-  
5 gregate number of percentage point increases as  
6 incentive adjustments to all States do not ex-  
7 ceed such aggregate increases as assumed by  
8 the Secretary in estimates of the cost of this  
9 section as of June 1994, unless the aggregate  
10 performance of all States exceeds the projected  
11 aggregate performance of all States in such cost  
12 estimates.

13           “(3) DETERMINATION OF INCENTIVE ADJUST-  
14 MENT.—The Secretary shall determine the amount  
15 (if any) of the incentive adjustment due each State  
16 on the basis of the data submitted by the State pur-  
17 suant to section 454(15)(B) concerning the levels of  
18 accomplishment (and rates of improvement) with re-  
19 spect to performance indicators specified by the Sec-  
20 retary pursuant to this section.

21           “(4) RECYCLING OF INCENTIVE ADJUST-  
22 MENT.—A State to which funds are paid by the  
23 Federal Government as a result of an incentive ad-  
24 justment under this section shall expend the funds

1 in the State program under this part within 2 years  
2 after the date of the payment.

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

4 “(1) PATERNITY ESTABLISHMENT PERCENT-  
5 AGE.—The term ‘paternity establishment percent-  
6 age’ means, with respect to a State and a fiscal  
7 year—

8 “(A) the total number of children in the  
9 State who were born out of wedlock, who have  
10 not attained 1 year of age and for whom pater-  
11 nity is established or acknowledged during the  
12 fiscal year; divided by

13 “(B) the total number of children born out  
14 of wedlock in the State during the fiscal year.

15 “(2) OVERALL PERFORMANCE IN CHILD SUP-  
16 PORT ENFORCEMENT.—The term ‘overall perform-  
17 ance in child support enforcement’ means a measure  
18 or measures of the effectiveness of the State agency  
19 in a fiscal year which takes into account factors in-  
20 cluding—

21 “(A) the percentage of cases requiring a  
22 support order in which such an order was es-  
23 tablished;

24 “(B) the percentage of cases in which child  
25 support is being paid;

1           “(C) the ratio of child support collected to  
2 child support due; and

3           “(D) the cost-effectiveness of the State  
4 program, as determined in accordance with  
5 standards established by the Secretary in regu-  
6 lations (after consultation with the States).”.

7           (b) CONFORMING AMENDMENTS.—Section 454(22)  
8 (42 U.S.C. 654(22)) is amended—

9           (1) by striking “incentive payments” the 1st  
10 place such term appears and inserting “incentive ad-  
11 justments”; and

12           (2) by striking “any such incentive payments  
13 made to the State for such period” and inserting  
14 “any increases in Federal payments to the State re-  
15 sulting from such incentive adjustments”.

16           (c) CALCULATION OF IV–D PATERNITY ESTABLISH-  
17 MENT PERCENTAGE.—

18           (1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is  
19 amended—

20           (A) in the matter preceding subparagraph  
21 (A) by inserting “its overall performance in  
22 child support enforcement is satisfactory (as de-  
23 fined in section 458(b) and regulations of the  
24 Secretary), and” after “1994,”; and

1 (B) in each of subparagraphs (A) and (B),  
2 by striking “75” and inserting “90”.

3 (2) Section 452(g)(2)(A) (42 U.S.C.  
4 652(g)(2)(A)) is amended in the matter preceding  
5 clause (i)—

6 (A) by striking “paternity establishment  
7 percentage” and inserting “IV-D paternity es-  
8 tablishment percentage”; and

9 (B) by striking “(or all States, as the case  
10 may be)”.

11 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is  
12 amended—

13 (A) by striking subparagraph (A) and re-  
14 designating subparagraphs (B) and (C) as sub-  
15 paragraphs (A) and (B), respectively;

16 (B) in subparagraph (A) (as so redesign-  
17 ated), by striking “the percentage of children  
18 born out-of-wedlock in a State” and inserting  
19 “the percentage of children in a State who are  
20 born out of wedlock or for whom support has  
21 not been established”; and

22 (C) in subparagraph (B) (as so redesign-  
23 ated)—



1 (i) by inserting “and overall perform-  
2 ance in child support enforcement” after  
3 “paternity establishment percentages”; and

4 (ii) by inserting “and securing sup-  
5 port” before the period.

6 (d) EFFECTIVE DATES.—

7 (1) INCENTIVE ADJUSTMENTS.—(A) The  
8 amendments made by subsections (a) and (b) shall  
9 become effective on October 1, 1997, except to the  
10 extent provided in subparagraph (B).

11 (B) Section 458 of the Social Security Act, as  
12 in effect prior to the enactment of this section, shall  
13 be effective for purposes of incentive payments to  
14 States for fiscal years before fiscal year 1999.

15 (2) PENALTY REDUCTIONS.—The amendments  
16 made by subsection (c) shall become effective with  
17 respect to calendar quarters beginning on and after  
18 the date of the enactment of this Act.

19 **SEC. 743. FEDERAL AND STATE REVIEWS AND AUDITS.**

20 (a) STATE AGENCY ACTIVITIES.—Section 454 (42  
21 U.S.C. 654) is amended—

22 (1) in paragraph (14), by striking “(14)” and  
23 inserting “(14)(A)”;

24 (2) by redesignating paragraph (15) as sub-  
25 paragraph (B) of paragraph (14); and

1           (3) by inserting after paragraph (14) the fol-  
2           lowing:

3           “(15) provide for—

4                   “(A) a process for annual reviews of and  
5                   reports to the Secretary on the State program  
6                   operated under the State plan approved under  
7                   this part, which shall include such information  
8                   as may be necessary to measure State compli-  
9                   ance with Federal requirements for expedited  
10                   procedures and timely case processing, using  
11                   such standards and procedures as are required  
12                   by the Secretary, under which the State agency  
13                   will determine the extent to which the program  
14                   is operated in compliance with this part; and

15                   “(B) a process of extracting from the auto-  
16                   mated data processing system required by para-  
17                   graph (16) and transmitting to the Secretary  
18                   data and calculations concerning the levels of  
19                   accomplishment (and rates of improvement)  
20                   with respect to applicable performance indica-  
21                   tors (including IV-D paternity establishment  
22                   percentages and overall performance in child  
23                   support enforcement) to the extent necessary  
24                   for purposes of sections 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42  
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-  
4 ted by State agencies pursuant to section  
5 454(15)(B) on State program accomplishments with  
6 respect to performance indicators for purposes of  
7 subsection (g) of this section and section 458;

8 “(B) review annual reports submitted pursuant  
9 to section 454(15)(A) and, as appropriate, provide  
10 to the State comments, recommendations for addi-  
11 tional or alternative corrective actions, and technical  
12 assistance; and

13 “(C) conduct audits, in accordance with the  
14 government auditing standards of the Comptroller  
15 General of the United States—

16 “(i) at least once every 3 years (or more  
17 frequently, in the case of a State which fails to  
18 meet the requirements of this part, concerning  
19 performance standards and reliability of pro-  
20 gram data) to assess the completeness, reliabil-  
21 ity, and security of the data, and the accuracy  
22 of the reporting systems, used in calculating  
23 performance indicators under subsection (g) of  
24 this section and section 458;

1           “(ii) of the adequacy of financial manage-  
2           ment of the State program operated under the  
3           State plan approved under this part, including  
4           assessments of—

5                   “(I) whether Federal and other funds  
6                   made available to carry out the State pro-  
7                   gram are being appropriately expended,  
8                   and are properly and fully accounted for;  
9                   and

10                   “(II) whether collections and disburse-  
11                   ments of support payments are carried out  
12                   correctly and are fully accounted for; and

13                   “(iii) for such other purposes as the Sec-  
14                   retary may find necessary;”.

15           (c) EFFECTIVE DATE.—The amendments made by  
16 this section shall be effective with respect to calendar  
17 quarters beginning 12 months or more after the date of  
18 the enactment of this section.

19 **SEC. 744. REQUIRED REPORTING PROCEDURES.**

20           (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.  
21 652(a)(5)) is amended by inserting “, and establish proce-  
22 dures to be followed by States for collecting and reporting  
23 information required to be provided under this part, and  
24 establish uniform definitions (including those necessary to  
25 enable the measurement of State compliance with the re-

1 requirements of this part relating to expedited processes and  
2 timely case processing) to be applied in following such pro-  
3 cedures” before the semicolon.

4 (b) STATE PLAN REQUIREMENT.—Section 454 (42  
5 U.S.C. 654), as amended by sections 703(a), 712(a),  
6 713(a), and 733 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph  
8 (27);

9 (2) by striking the period at the end of para-  
10 graph (28) and inserting “; and”; and

11 (3) by adding after paragraph (28) the follow-  
12 ing:

13 “(29) provide that the State shall use the defi-  
14 nitions established under section 452(a)(5) in col-  
15 lecting and reporting information as required under  
16 this part.”.

17 **SEC. 745. AUTOMATED DATA PROCESSING REQUIREMENTS.**

18 (a) REVISED REQUIREMENTS.—

19 (1) Section 454(16) (42 U.S.C. 654(16)) is  
20 amended—

21 (A) by striking “, at the option of the  
22 State,”;

23 (B) by inserting “and operation by the  
24 State agency” after “for the establishment”;

1 (C) by inserting “meeting the requirements  
2 of section 454A” after “information retrieval  
3 system”;

4 (D) by striking “in the State and localities  
5 thereof, so as (A)” and inserting “so as”;

6 (E) by striking “(i)”; and

7 (F) by striking “(including” and all that  
8 follows and inserting a semicolon.

9 (2) Part D of title IV (42 U.S.C. 651–669) is  
10 amended by inserting after section 454 the follow-  
11 ing:

12 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

13 “(a) IN GENERAL.—In order for a State to meet the  
14 requirements of this section, the State agency administer-  
15 ing the State program under this part shall have in oper-  
16 ation a single statewide automated data processing and  
17 information retrieval system which has the capability to  
18 perform the tasks specified in this section with the fre-  
19 quency and in the manner required by or under this part.

20 “(b) PROGRAM MANAGEMENT.—The automated sys-  
21 tem required by this section shall perform such functions  
22 as the Secretary may specify relating to management of  
23 the State program under this part, including—

1           “(1) controlling and accounting for use of Fed-  
2           eral, State, and local funds in carrying out the pro-  
3           gram; and

4           “(2) maintaining the data necessary to meet  
5           Federal reporting requirements under this part on a  
6           timely basis.

7           “(c) CALCULATION OF PERFORMANCE INDICA-  
8           TORS.—In order to enable the Secretary to determine the  
9           incentive and penalty adjustments required by sections  
10          452(g) and 458, the State agency shall—

11           “(1) use the automated system—

12           “(A) to maintain the requisite data on  
13           State performance with respect to paternity es-  
14           tablishment and child support enforcement in  
15           the State; and

16           “(B) to calculate the IV-D paternity es-  
17           tablishment percentage and overall performance  
18           in child support enforcement for the State for  
19           each fiscal year; and

20           “(2) have in place systems controls to ensure  
21           the completeness, and reliability of, and ready access  
22           to, the data described in paragraph (1)(A), and the  
23           accuracy of the calculations described in paragraph  
24           (1)(B).

1       “(d) INFORMATION INTEGRITY AND SECURITY.—The  
2 State agency shall have in effect safeguards on the integ-  
3 rity, accuracy, and completeness of, access to, and use of  
4 data in the automated system required by this section,  
5 which shall include the following (in addition to such other  
6 safeguards as the Secretary may specify in regulations):

7           “(1) POLICIES RESTRICTING ACCESS.—Written  
8 policies concerning access to data by State agency  
9 personnel, and sharing of data with other persons,  
10 which—

11               “(A) permit access to and use of data only  
12 to the extent necessary to carry out the State  
13 program under this part; and

14               “(B) specify the data which may be used  
15 for particular program purposes, and the per-  
16 sonnel permitted access to such data.

17           “(2) SYSTEMS CONTROLS.—Systems controls  
18 (such as passwords or blocking of fields) to ensure  
19 strict adherence to the policies described in para-  
20 graph (1).

21           “(3) MONITORING OF ACCESS.—Routine mon-  
22 itoring of access to and use of the automated sys-  
23 tem, through methods such as audit trails and feed-  
24 back mechanisms, to guard against and promptly  
25 identify unauthorized access or use.



1           “(4) TRAINING AND INFORMATION.—Proce-  
2           dures to ensure that all personnel (including State  
3           and local agency staff and contractors) who may  
4           have access to or be required to use confidential pro-  
5           gram data are informed of applicable requirements  
6           and penalties (including those in section 6103 of the  
7           Internal Revenue Code of 1986), and are adequately  
8           trained in security procedures.

9           “(5) PENALTIES.—Administrative penalties (up  
10          to and including dismissal from employment) for un-  
11          authorized access to, or disclosure or use of, con-  
12          fidential data.”.

13          (3) REGULATIONS.—The Secretary of Health  
14          and Human Services shall prescribe final regulations  
15          for implementation of section 454A of the Social Se-  
16          curity Act not later than 2 years after the date of  
17          the enactment of this Act.

18          (4) IMPLEMENTATION TIMETABLE.—Section  
19          454(24) (42 U.S.C. 654(24)), as amended by sec-  
20          tions 703(a)(2) and 712(a)(1) of this Act, is amend-  
21          ed to read as follows:

22          “(24) provide that the State will have in effect  
23          an automated data processing and information re-  
24          trieval system—

1           “(A) by October 1, 1995, which meets all  
2 requirements of this part which were enacted on  
3 or before the date of enactment of the Family  
4 Support Act of 1988; and

5           “(B) by October 1, 1999, which meets all  
6 requirements of this part enacted on or before  
7 the date of the enactment of the Personal Re-  
8 sponsibility Act of 1995, except that such dead-  
9 line shall be extended by 1 day for each day (if  
10 any) by which the Secretary fails to meet the  
11 deadline imposed by section 745(a)(3) of the  
12 Personal Responsibility Act of 1995.”.

13           (b) SPECIAL FEDERAL MATCHING RATE FOR DE-  
14 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

15           (1) IN GENERAL.—Section 455(a) (42 U.S.C.  
16 655(a)) is amended—

17           (A) in paragraph (1)(B)—

18           (i) by striking “90 percent” and in-  
19 serting “the percent specified in paragraph  
20 (3)”;

21           (ii) by striking “so much of”; and

22           (iii) by striking “which the Secretary”  
23 and all that follows and inserting “, and”;  
24 and

25           (B) by adding at the end the following:

1       “(3)(A) The Secretary shall pay to each State, for  
2 each quarter in fiscal year 1996, 90 percent of so much  
3 of the State expenditures described in paragraph (1)(B)  
4 as the Secretary finds are for a system meeting the re-  
5 quirements specified in section 454(16).

6       “(B)(i) The Secretary shall pay to each State, for  
7 each quarter in fiscal years 1997 through 2001, the per-  
8 centage specified in clause (ii) of so much of the State  
9 expenditures described in paragraph (1)(B) as the Sec-  
10 retary finds are for a system meeting the requirements  
11 of sections 454(16) and 454A.

12       “(ii) The percentage specified in this clause is the  
13 greater of—

14               “(I) 80 percent; or

15               “(II) the percentage otherwise applicable to  
16 Federal payments to the State under subparagraph  
17 (A) (as adjusted pursuant to section 458).”.

18               (2) TEMPORARY LIMITATION ON PAYMENTS  
19 UNDER SPECIAL FEDERAL MATCHING RATE.—

20               (A) IN GENERAL.—The Secretary of  
21 Health and Human Services may not pay more  
22 than \$260,000,000 in the aggregate under sec-  
23 tion 455(a)(3) of the Social Security Act for fis-  
24 cal years 1996, 1997, 1998, 1999, and 2000.

1 (B) ALLOCATION OF LIMITATION AMONG  
2 STATES.—The total amount payable to a State  
3 under section 455(a)(3) of such Act for fiscal  
4 years 1996, 1997, 1998, 1999, and 2000 shall  
5 not exceed the limitation determined for the  
6 State by the Secretary of Health and Human  
7 Services in regulations.

8 (C) ALLOCATION FORMULA.—The regula-  
9 tions referred to in subparagraph (B) shall pre-  
10 scribe a formula for allocating the amount spec-  
11 ified in subparagraph (A) among States with  
12 plans approved under part D of title IV of the  
13 Social Security Act, which shall take into ac-  
14 count—

15 (i) the relative size of State caseloads  
16 under such part; and

17 (ii) the level of automation needed to  
18 meet the automated data processing re-  
19 quirements of such part.

20 (c) CONFORMING AMENDMENT.—Section 123(c) of  
21 the Family Support Act of 1988 (102 Stat. 2352; Public  
22 Law 100–485) is repealed.

23 **SEC. 746. TECHNICAL ASSISTANCE.**

24 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,  
25 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-

1 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-  
2 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-  
3 ing at the end the following:

4 “(j) Out of any money in the Treasury of the United  
5 States not otherwise appropriated, there is hereby appro-  
6 priated to the Secretary for each fiscal year an amount  
7 equal to 1 percent of the total amount paid to the Federal  
8 Government pursuant to section 457(a) during the imme-  
9 diately preceding fiscal year (as determined on the basis  
10 of the most recent reliable data available to the Secretary  
11 as of the end of the 3rd calendar quarter following the  
12 end of such preceding fiscal year), to cover costs incurred  
13 by the Secretary for—

14 “(1) information dissemination and technical  
15 assistance to States, training of State and Federal  
16 staff, staffing studies, and related activities needed  
17 to improve programs under this part (including tech-  
18 nical assistance concerning State automated systems  
19 required by this part); and

20 “(2) research, demonstration, and special  
21 projects of regional or national significance relating  
22 to the operation of State programs under this  
23 part.”.

24 (b) OPERATION OF FEDERAL PARENT LOCATOR  
25 SERVICE.—Section 453 (42 U.S.C. 653), as amended by

1 section 716(e) of this Act, is amended by adding at the  
2 end the following:

3 “(n) Out of any money in the Treasury of the United  
4 States not otherwise appropriated, there is hereby appro-  
5 priated to the Secretary for each fiscal year an amount  
6 equal to 2 percent of the total amount paid to the Federal  
7 Government pursuant to section 457(a) during the imme-  
8 diately preceding fiscal year (as determined on the basis  
9 of the most recent reliable data available to the Secretary  
10 as of the end of the 3rd calendar quarter following the  
11 end of such preceding fiscal year), to cover costs incurred  
12 by the Secretary for operation of the Federal Parent Loca-  
13 tor Service under this section, to the extent such costs are  
14 not recovered through user fees.”.

15 **SEC. 747. REPORTS AND DATA COLLECTION BY THE SEC-**  
16 **RETARY.**

17 (a) ANNUAL REPORT TO CONGRESS.—

18 (1) Section 452(a)(10)(A) (42 U.S.C.  
19 652(a)(10)(A)) is amended—

20 (A) by striking “this part;” and inserting  
21 “this part, including—”; and

22 (B) by adding at the end the following:

23 “(i) the total amount of child support  
24 payments collected as a result of services

1 furnished during the fiscal year to individ-  
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the  
4 Federal Government of so furnishing the  
5 services; and

6 “(iii) the number of cases involving  
7 families—

8 “(I) who became ineligible for as-  
9 sistance under State programs funded  
10 under part A during a month in the  
11 fiscal year; and

12 “(II) with respect to whom a  
13 child support payment was received in  
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.  
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required  
19 under each clause being separately stated  
20 for cases” and inserting “separately stated  
21 for (1) cases”;

22 (ii) by striking “cases where the child  
23 was formerly receiving” and inserting “or  
24 formerly received”;

1 (iii) by inserting “or 1912” after  
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all  
4 other”;

5 (B) in each of clauses (i) and (ii), by strik-  
6 ing “, and the total amount of such obliga-  
7 tions”;

8 (C) in clause (iii), by striking “described  
9 in” and all that follows and inserting “in which  
10 support was collected during the fiscal year;”;

11 (D) by striking clause (iv);

12 (E) by redesignating clause (v) as clause  
13 (vii), and inserting after clause (iii) the follow-  
14 ing:

15 “(iv) the total amount of support col-  
16 lected during such fiscal year and distrib-  
17 uted as current support;

18 “(v) the total amount of support col-  
19 lected during such fiscal year and distrib-  
20 uted as arrearages;

21 “(vi) the total amount of support due  
22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.  
24 652(a)(10)(G)) is amended by striking “on the use  
25 of Federal courts and”.



1           (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))  
2           is amended by striking all that follows subparagraph  
3           (I).

4           (b) EFFECTIVE DATE.—The amendments made by  
5           subsection (a) shall be effective with respect to fiscal year  
6           1996 and succeeding fiscal years.

7           **Subtitle F—Establishment and**  
8           **Modification of Support Orders**

9           **SEC. 751. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**  
10           **MENT OF CHILD SUPPORT ORDERS.**

11           Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-  
12           ed to read as follows:

13           “(10) REVIEW AND ADJUSTMENT OF SUPPORT  
14           ORDERS.—Procedures under which the State shall  
15           review and adjust each support order being enforced  
16           under this part. Such procedures shall provide the  
17           following:

18           “(A) The State shall review and, as appro-  
19           priate, adjust the support order every 3 years,  
20           taking into account the best interests of the  
21           child involved.

22           “(B)(i) The State may elect to review and,  
23           if appropriate, adjust an order pursuant to sub-  
24           paragraph (A) by—

1           “(I) reviewing and, if appropriate, ad-  
2           justing the order in accordance with the  
3           guidelines established pursuant to section  
4           467(a) if the amount of the child support  
5           award under the order differs from the  
6           amount that would be awarded in accord-  
7           ance with the guidelines; or

8           “(II) applying a cost-of-living adjust-  
9           ment to the order in accordance with a for-  
10          mula developed by the State and permit ei-  
11          ther party to contest the adjustment, with-  
12          in 30 days after the date of the notice of  
13          the adjustment, by making a request for  
14          review and, if appropriate, adjustment of  
15          the order in accordance with the child sup-  
16          port guidelines established pursuant to sec-  
17          tion 467(a).

18          “(ii) Any adjustment under clause (i) shall  
19          be made without a requirement for proof or  
20          showing of a change in circumstances.

21          “(C) The State may use automated meth-  
22          ods (including automated comparisons with  
23          wage or State income tax data) to identify or-  
24          ders eligible for review, conduct the review,  
25          identify orders eligible for adjustment, apply

1 the appropriate adjustment to the orders eligi-  
2 ble for adjustment under the threshold estab-  
3 lished by the State.

4 “(D) The State shall, at the request of ei-  
5 ther parent subject to such an order or of any  
6 State child support enforcement agency, review  
7 and, if appropriate, adjust the order in accord-  
8 ance with the guidelines established pursuant to  
9 section 467(a) based upon a substantial change  
10 in the circumstances of either parent.

11 “(E) The State shall provide notice to the  
12 parents subject to such an order informing  
13 them of their right to request the State to re-  
14 view and, if appropriate, adjust the order pur-  
15 suant to subparagraph (D). The notice may be  
16 included in the order.”.

17 **SEC. 752. FURNISHING CONSUMER REPORTS FOR CERTAIN**  
18 **PURPOSES RELATING TO CHILD SUPPORT.**

19 Section 604 of the Fair Credit Reporting Act (15  
20 U.S.C. 1681b) is amended by adding at the end the follow-  
21 ing:

22 “(4) In response to a request by the head of a  
23 State or local child support enforcement agency (or  
24 a State or local government official authorized by  
25 the head of such an agency), if the person making

1 the request certifies to the consumer reporting agency that—

2  
3 “(A) the consumer report is needed for the  
4 purpose of establishing an individual’s capacity  
5 to make child support payments or determining  
6 the appropriate level of such payments;

7 “(B) the person has provided at least 10  
8 days prior notice to the consumer whose report  
9 is requested, by certified or registered mail to  
10 the last known address of the consumer, that  
11 the report will be requested, and

12 “(C) the consumer report will be kept con-  
13 fidential, will be used solely for a purpose de-  
14 scribed in subparagraph (A), and will not be  
15 used in connection with any other civil, admin-  
16 istrative, or criminal proceeding, or for any  
17 other purpose.

18 “(5) To an agency administering a State plan  
19 under section 454 of the Social Security Act (42  
20 U.S.C. 654) for use to set an initial or modified  
21 child support award.”.

1                   **Subtitle G—Enforcement of**  
2                   **Support Orders**

3   **SEC. 761. FEDERAL INCOME TAX REFUND OFFSET.**

4           (a) CHANGED ORDER OF REFUND DISTRIBUTION  
5 UNDER INTERNAL REVENUE CODE.—

6           (1) Subsection (c) of section 6402 of the Inter-  
7           nal Revenue Code of 1986 is amended by striking  
8           the third sentence and inserting the following new  
9           sentences: “A reduction under this subsection shall  
10          be after any other reduction allowed by subsection  
11          (d) with respect to the Department of Health and  
12          Human Services and the Department of Education  
13          with respect to a student loan and before any other  
14          reduction allowed by law and before such overpay-  
15          ment is credited to the future liability for tax of  
16          such person pursuant to subsection (b). A reduction  
17          under this subsection shall be assigned to the State  
18          with respect to past-due support owed to individuals  
19          for periods such individuals were receiving assistance  
20          under part A or B of title IV of the Social Security  
21          Act only after satisfying all other past-due sup-  
22          port.”.

23          (2) Paragraph (2) of section 6402(d) of such  
24          Code is amended—

1 (A) by striking “Any overpayment” and in-  
2 serting “Except in the case of past-due legally  
3 enforceable debts owed to the Department of  
4 Health and Human Services or to the Depart-  
5 ment of Education with respect to a student  
6 loan, any overpayment”; and

7 (B) by striking “with respect to past-due  
8 support collected pursuant to an assignment  
9 under section 402(a)(26) of the Social Security  
10 Act”.

11 (b) ELIMINATION OF DISPARITIES IN TREATMENT  
12 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—

13 (1) Section 464(a) (42 U.S.C. 664(a)) is  
14 amended—

15 (A) by striking “(a)” and inserting “(a)  
16 OFFSET AUTHORIZED.—”;

17 (B) in paragraph (1)—

18 (i) in the 1st sentence, by striking  
19 “which has been assigned to such State  
20 pursuant to section 402(a)(26) or section  
21 471(a)(17)”; and

22 (ii) in the 2nd sentence, by striking  
23 “in accordance with section 457(b)(4) or  
24 (d)(3)” and inserting “as provided in para-  
25 graph (2)”; and

1 (C) by striking paragraph (2) and insert-  
2 ing the following:

3 “(2) The State agency shall distribute amounts paid  
4 by the Secretary of the Treasury pursuant to paragraph  
5 (1)—

6 “(A) in accordance with section 457(a), in the  
7 case of past-due support assigned to a State pursu-  
8 ant to requirements imposed pursuant to section  
9 405(a)(8); and

10 “(B) to or on behalf of the child to whom the  
11 support was owed, in the case of past-due support  
12 not so assigned.”; and

13 (D) in paragraph (3)—

14 (i) by striking “or (2)” each place  
15 such term appears; and

16 (ii) in subparagraph (B), by striking  
17 “under paragraph (2)” and inserting “on  
18 account of past-due support described in  
19 paragraph (2)(B)”.

20 (2) Section 464(b) (42 U.S.C. 664(b)) is  
21 amended—

22 (A) by striking “(b)(1)” and inserting the  
23 following:

24 “(b) REGULATIONS.—”; and

25 (B) by striking paragraph (2).

1           (3) Section 464(c) (42 U.S.C. 664(c)) is  
2 amended—

3           (A) by striking “(c)(1) Except as provided  
4 in paragraph (2), as” and inserting the follow-  
5 ing:

6           “(c) DEFINITION.—As”; and

7           (B) by striking paragraphs (2) and (3).

8 **SEC. 762. AUTHORITY TO COLLECT SUPPORT FROM FED-**  
9 **ERAL EMPLOYEES.**

10          (a) CONSOLIDATION AND STREAMLINING OF AU-  
11 THORITIES.—Section 459 (42 U.S.C. 659) is amended to  
12 read as follows:

13 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**  
14 **WITHHOLDING, GARNISHMENT, AND SIMILAR**  
15 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**  
16 **SUPPORT AND ALIMONY OBLIGATIONS.**

17          “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-  
18 withstanding any other provision of law (including section  
19 207 of this Act and section 5301 of title 38, United States  
20 Code), effective January 1, 1975, moneys (the entitlement  
21 to which is based upon remuneration for employment) due  
22 from, or payable by, the United States or the District of  
23 Columbia (including any agency, subdivision, or instru-  
24 mentality thereof) to any individual, including members  
25 of the Armed Forces of the United States, shall be subject,



1 in like manner and to the same extent as if the United  
2 States or the District of Columbia were a private person,  
3 to withholding in accordance with State law enacted pur-  
4 suant to subsections (a)(1) and (b) of section 466 and reg-  
5 ulations of the Secretary under such subsections, and to  
6 any other legal process brought, by a State agency admin-  
7 istering a program under a State plan approved under this  
8 part or by an individual obligee, to enforce the legal obliga-  
9 tion of the individual to provide child support or alimony.

10       “(b) CONSENT TO REQUIREMENTS APPLICABLE TO  
11 PRIVATE PERSON.—With respect to notice to withhold in-  
12 come pursuant to subsection (a)(1) or (b) of section 466,  
13 or any other order or process to enforce support obliga-  
14 tions against an individual (if the order or process con-  
15 tains or is accompanied by sufficient data to permit  
16 prompt identification of the individual and the moneys in-  
17 volved), each governmental entity specified in subsection  
18 (a) shall be subject to the same requirements as would  
19 apply if the entity were a private person, except as other-  
20 wise provided in this section.

21       “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE  
22 OR PROCESS—

23               “(1) DESIGNATION OF AGENT.—The head of  
24 each agency subject to this section shall—

1           “(A) designate an agent or agents to re-  
2           ceive orders and accept service of process in  
3           matters relating to child support or alimony;  
4           and

5           “(B) annually publish in the Federal Reg-  
6           ister the designation of the agent or agents,  
7           identified by title or position, mailing address,  
8           and telephone number.

9           “(2) RESPONSE TO NOTICE OR PROCESS.—If an  
10          agent designated pursuant to paragraph (1) of this  
11          subsection receives notice pursuant to State proce-  
12          dures in effect pursuant to subsection (a)(1) or (b)  
13          of section 466, or is effectively served with any  
14          order, process, or interrogatory, with respect to an  
15          individual’s child support or alimony payment obli-  
16          gations, the agent shall—

17                 “(A) as soon as possible (but not later  
18                 than 15 days) thereafter, send written notice of  
19                 the notice or service (together with a copy of  
20                 the notice or service) to the individual at the  
21                 duty station or last-known home address of the  
22                 individual;

23                 “(B) within 30 days (or such longer period  
24                 as may be prescribed by applicable State law)  
25                 after receipt of a notice pursuant to such State

1           procedures, comply with all applicable provi-  
2           sions of section 466; and

3           “(C) within 30 days (or such longer period  
4           as may be prescribed by applicable State law)  
5           after effective service of any other such order,  
6           process, or interrogatory, respond to the order,  
7           process, or interrogatory.

8           “(d) PRIORITY OF CLAIMS.—If a governmental entity  
9           specified in subsection (a) receives notice or is served with  
10          process, as provided in this section, concerning amounts  
11          owed by an individual to more than 1 person—

12           “(1) support collection under section 466(b)  
13          must be given priority over any other process, as  
14          provided in section 466(b)(7);

15           “(2) allocation of moneys due or payable to an  
16          individual among claimants under section 466(b)  
17          shall be governed by section 466(b) and the regula-  
18          tions prescribed under such section; and

19           “(3) such moneys as remain after compliance  
20          with paragraphs (1) and (2) shall be available to  
21          satisfy any other such processes on a first-come,  
22          first-served basis, with any such process being satis-  
23          fied out of such moneys as remain after the satisfac-  
24          tion of all such processes which have been previously  
25          served.

1       “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A  
2 governmental entity that is affected by legal process  
3 served for the enforcement of an individual’s child support  
4 or alimony payment obligations shall not be required to  
5 vary its normal pay and disbursement cycle in order to  
6 comply with the legal process.

7       “(f) RELIEF FROM LIABILITY.—

8             “(1) Neither the United States, nor the govern-  
9 ment of the District of Columbia, nor any disbursing  
10 officer shall be liable with respect to any payment  
11 made from moneys due or payable from the United  
12 States to any individual pursuant to legal process  
13 regular on its face, if the payment is made in ac-  
14 cordance with this section and the regulations issued  
15 to carry out this section.

16            “(2) No Federal employee whose duties include  
17 taking actions necessary to comply with the require-  
18 ments of subsection (a) with regard to any individ-  
19 ual shall be subject under any law to any discipli-  
20 nary action or civil or criminal liability or penalty  
21 for, or on account of, any disclosure of information  
22 made by the employee in connection with the carry-  
23 ing out of such actions.

24       “(g) REGULATIONS.—Authority to promulgate regu-  
25 lations for the implementation of this section shall, insofar

1 as this section applies to moneys due from (or payable  
2 by)—

3 “(1) the United States (other than the legisla-  
4 tive or judicial branches of the Federal Government)  
5 or the government of the District of Columbia, be  
6 vested in the President (or the designee of the Presi-  
7 dent);

8 “(2) the legislative branch of the Federal Gov-  
9 ernment, be vested jointly in the President pro tem-  
10 pore of the Senate and the Speaker of the House of  
11 Representatives (or their designees), and

12 “(3) the judicial branch of the Federal Govern-  
13 ment, be vested in the Chief Justice of the United  
14 States (or the designee of the Chief Justice).

15 “(h) MONEYS SUBJECT TO PROCESS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),  
17 moneys paid or payable to an individual which are  
18 considered to be based upon remuneration for em-  
19 ployment, for purposes of this section—

20 “(A) consist of—

21 “(i) compensation paid or payable for  
22 personal services of the individual, whether  
23 the compensation is denominated as wages,  
24 salary, commission, bonus, pay, allowances,

1 or otherwise (including severance pay, sick  
2 pay, and incentive pay);

3 “(ii) periodic benefits (including a  
4 periodic benefit as defined in section  
5 228(h)(3)) or other payments—

6 “(I) under the insurance system  
7 established by title II;

8 “(II) under any other system or  
9 fund established by the United States  
10 which provides for the payment of  
11 pensions, retirement or retired pay,  
12 annuities, dependents’ or survivors’  
13 benefits, or similar amounts payable  
14 on account of personal services per-  
15 formed by the individual or any other  
16 individual;

17 “(III) as compensation for death  
18 under any Federal program;

19 “(IV) under any Federal pro-  
20 gram established to provide ‘black  
21 lung’ benefits; or

22 “(V) by the Secretary of Veter-  
23 ans Affairs as pension, or as com-  
24 pensation for a service-connected dis-  
25 ability or death (except any compensa-

1                   tion paid by the Secretary to a mem-  
2                   ber of the Armed Forces who is in re-  
3                   ceipt of retired or retainer pay if the  
4                   member has waived a portion of the  
5                   retired pay of the member in order to  
6                   receive the compensation); and

7                   “(iii) worker’s compensation benefits  
8                   paid under Federal or State law but

9                   “(B) do not include any payment—

10                   “(i) by way of reimbursement or oth-  
11                   erwise, to defray expenses incurred by the  
12                   individual in carrying out duties associated  
13                   with the employment of the individual; or

14                   “(ii) as allowances for members of the  
15                   uniformed services payable pursuant to  
16                   chapter 7 of title 37, United States Code,  
17                   as prescribed by the Secretaries concerned  
18                   (defined by section 101(5) of such title) as  
19                   necessary for the efficient performance of  
20                   duty.

21                   “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-  
22                   mining the amount of any moneys due from, or pay-  
23                   able by, the United States to any individual, there  
24                   shall be excluded amounts which—

1           “(A) are owed by the individual to the  
2 United States;

3           “(B) are required by law to be, and are,  
4 deducted from the remuneration or other pay-  
5 ment involved, including Federal employment  
6 taxes, and fines and forfeitures ordered by  
7 court-martial;

8           “(C) are properly withheld for Federal,  
9 State, or local income tax purposes, if the with-  
10 holding of the amounts is authorized or re-  
11 quired by law and if amounts withheld are not  
12 greater than would be the case if the individual  
13 claimed all dependents to which he was entitled  
14 (the withholding of additional amounts pursu-  
15 ant to section 3402(i) of the Internal Revenue  
16 Code of 1986 may be permitted only when the  
17 individual presents evidence of a tax obligation  
18 which supports the additional withholding);

19           “(D) are deducted as health insurance pre-  
20 miums;

21           “(E) are deducted as normal retirement  
22 contributions (not including amounts deducted  
23 for supplementary coverage); or

24           “(F) are deducted as normal life insurance  
25 premiums from salary or other remuneration



1           for employment (not including amounts de-  
2           ducted for supplementary coverage).

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

4           “(1) UNITED STATES.—The term ‘United  
5           States’ includes any department, agency, or instru-  
6           mentality of the legislative, judicial, or executive  
7           branch of the Federal Government, the United  
8           States Postal Service, the Postal Rate Commission,  
9           any Federal corporation created by an Act of Con-  
10          gress that is wholly owned by the Federal Govern-  
11          ment, and the governments of the territories and  
12          possessions of the United States.

13          “(2) CHILD SUPPORT.—The term ‘child sup-  
14          port’, when used in reference to the legal obligations  
15          of an individual to provide such support, means peri-  
16          odic payments of funds for the support and mainte-  
17          nance of a child or children with respect to which  
18          the individual has such an obligation, and (subject  
19          to and in accordance with State law) includes pay-  
20          ments to provide for health care, education, recre-  
21          ation, clothing, or to meet other specific needs of  
22          such a child or children, and includes attorney’s  
23          fees, interest, and court costs, when and to the ex-  
24          tent that the same are expressly made recoverable as  
25          such pursuant to a decree, order, or judgment issued

1 in accordance with applicable State law by a court  
2 of competent jurisdiction.

3 “(3) ALIMONY.—The term ‘alimony’, when used  
4 in reference to the legal obligations of an individual  
5 to provide the same, means periodic payments of  
6 funds for the support and maintenance of the spouse  
7 (or former spouse) of the individual, and (subject to  
8 and in accordance with State law) includes separate  
9 maintenance, alimony pendente lite, maintenance,  
10 and spousal support, and includes attorney’s fees,  
11 interest, and court costs when and to the extent that  
12 the same are expressly made recoverable as such  
13 pursuant to a decree, order, or judgment issued in  
14 accordance with applicable State law by a court of  
15 competent jurisdiction. Such term does not include  
16 any payment or transfer of property or its value by  
17 an individual to the spouse or a former spouse of the  
18 individual in compliance with any community prop-  
19 erty settlement, equitable distribution of property, or  
20 other division of property between spouses or former  
21 spouses.

22 “(4) PRIVATE PERSON.—The term ‘private per-  
23 son’ means a person who does not have sovereign or  
24 other special immunity or privilege which causes the  
25 person not to be subject to legal process.

1           “(5) LEGAL PROCESS.—The term ‘legal proc-  
2           ess’ means any writ, order, summons, or other simi-  
3           lar process in the nature of garnishment—

4                   “(A) which is issued by—

5                           “(i) a court of competent jurisdiction  
6                           in any State, territory, or possession of the  
7                           United States;

8                           “(ii) a court of competent jurisdiction  
9                           in any foreign country with which the  
10                          United States has entered into an agree-  
11                          ment which requires the United States to  
12                          honor the process; or

13                          “(iii) an authorized official pursuant  
14                          to an order of such a court of competent  
15                          jurisdiction or pursuant to State or local  
16                          law; and

17                          “(B) which is directed to, and the purpose  
18                          of which is to compel, a governmental entity  
19                          which holds moneys which are otherwise pay-  
20                          able to an individual to make a payment from  
21                          the moneys to another party in order to satisfy  
22                          a legal obligation of the individual to provide  
23                          child support or make alimony payments.”.

24           (b) CONFORMING AMENDMENTS.—

1           (1) TO PART D OF TITLE IV.—Sections 461 and  
2           462 (42 U.S.C. 661 and 662) are repealed.

3           (2) TO TITLE 5, UNITED STATES CODE.—Sec-  
4           tion 5520a of title 5, United States Code, is amend-  
5           ed, in subsections (h)(2) and (i), by striking “sec-  
6           tions 459, 461, and 462 of the Social Security Act  
7           (42 U.S.C. 659, 661, and 662)” and inserting “sec-  
8           tion 459 of the Social Security Act (42 U.S.C.  
9           659)”.

10          (c) MILITARY RETIRED AND RETAINER PAY.—

11           (1) DEFINITION OF COURT.—Section  
12           1408(a)(1) of title 10, United States Code, is  
13           amended—

14                   (A) by striking “and” at the end of sub-  
15                   paragraph (B);

16                   (B) by striking the period at the end of  
17                   subparagraph (C) and inserting “; and”; and

18                   (C) by adding after subparagraph (C) the  
19                   following:

20                           “(D) any administrative or judicial tribu-  
21                           nal of a State competent to enter orders for  
22                           support or maintenance (including a State  
23                           agency administering a program under a State  
24                           plan approved under part D of title IV of the  
25                           Social Security Act), and, for purposes of this

1           subparagraph, the term ‘State’ includes the  
2           District of Columbia, the Commonwealth of  
3           Puerto Rico, the Virgin Islands, Guam, and  
4           American Samoa.”.

5           (2) DEFINITION OF COURT ORDER.—Section  
6           1408(a)(2) of such title is amended by inserting “or  
7           a court order for the payment of child support not  
8           included in or accompanied by such a decree or set-  
9           tlement,” before “which—”.

10          (3) PUBLIC PAYEE.—Section 1408(d) of such  
11          title is amended—

12                 (A) in the heading, by inserting “(OR FOR  
13                 BENEFIT OF)” before “SPOUSE OR”; and

14                 (B) in paragraph (1), in the first sentence,  
15                 by inserting “(or for the benefit of such spouse  
16                 or former spouse to a State disbursement unit  
17                 established pursuant to section 454B of the So-  
18                 cial Security Act or other public payee des-  
19                 ignated by a State, in accordance with part D  
20                 of title IV of the Social Security Act, as di-  
21                 rected by court order, or as otherwise directed  
22                 in accordance with such part D)” before “in an  
23                 amount sufficient”.



1 (A) RESIDENTIAL ADDRESS.—Except as  
2 provided in subparagraph (B), the address for  
3 a member of the Armed Forces shown in the lo-  
4 cator service shall be the residential address of  
5 that member.

6 (B) DUTY ADDRESS.—The address for a  
7 member of the Armed Forces shown in the loca-  
8 tor service shall be the duty address of that  
9 member in the case of a member—

10 (i) who is permanently assigned over-  
11 seas, to a vessel, or to a routinely  
12 deployable unit; or

13 (ii) with respect to whom the Sec-  
14 retary concerned makes a determination  
15 that the member's residential address  
16 should not be disclosed due to national se-  
17 curity or safety concerns.

18 (3) UPDATING OF LOCATOR INFORMATION.—  
19 Within 30 days after a member listed in the locator  
20 service establishes a new residential address (or a  
21 new duty address, in the case of a member covered  
22 by paragraph (2)(B)), the Secretary concerned shall  
23 update the locator service to indicate the new ad-  
24 dress of the member.

1           (4) AVAILABILITY OF INFORMATION.—The Sec-  
2           retary of Defense shall make information regarding  
3           the address of a member of the Armed Forces listed  
4           in the locator service available, on request, to the  
5           Federal Parent Locator Service established under  
6           section 453 of the Social Security Act.

7           (b) FACILITATING GRANTING OF LEAVE FOR AT-  
8           TENDANCE AT HEARINGS.—

9           (1) REGULATIONS.—The Secretary of each  
10          military department, and the Secretary of Transpor-  
11          tation with respect to the Coast Guard when it is  
12          not operating as a service in the Navy, shall pre-  
13          scribe regulations to facilitate the granting of leave  
14          to a member of the Armed Forces under the juris-  
15          diction of that Secretary in a case in which—

16                 (A) the leave is needed for the member to  
17                 attend a hearing described in paragraph (2);

18                 (B) the member is not serving in or with  
19                 a unit deployed in a contingency operation (as  
20                 defined in section 101 of title 10, United States  
21                 Code); and

22                 (C) the exigencies of military service (as  
23                 determined by the Secretary concerned) do not  
24                 otherwise require that such leave not be grant-  
25                 ed.



1           (2) COVERED HEARINGS.—Paragraph (1) ap-  
2           plies to a hearing that is conducted by a court or  
3           pursuant to an administrative process established  
4           under State law, in connection with a civil action—

5                   (A) to determine whether a member of the  
6           Armed Forces is a natural parent of a child; or

7                   (B) to determine an obligation of a mem-  
8           ber of the Armed Forces to provide child sup-  
9           port.

10          (3) DEFINITIONS.—For purposes of this sub-  
11          section:

12                   (A) The term “court” has the meaning  
13           given that term in section 1408(a) of title 10,  
14           United States Code.

15                   (B) The term “child support” has the  
16           meaning given such term in section 459(i) of  
17           the Social Security Act (42 U.S.C. 659(i)).

18          (c) PAYMENT OF MILITARY RETIRED PAY IN COM-  
19          PLIANCE WITH CHILD SUPPORT ORDERS.—

20           (1) DATE OF CERTIFICATION OF COURT  
21           ORDER.—Section 1408 of title 10, United States  
22           Code, as amended by section 762(c)(4) of this Act,  
23           is amended—

24                   (A) by redesignating subsections (i) and (j)  
25           as subsections (j) and (k), respectively; and

1 (B) by inserting after subsection (h) the  
2 following:

3 “(i) CERTIFICATION DATE.—It is not necessary that  
4 the date of a certification of the authenticity or complete-  
5 ness of a copy of a court order for child support received  
6 by the Secretary concerned for the purposes of this section  
7 be recent in relation to the date of receipt by the Sec-  
8 retary.”.

9 (2) PAYMENTS CONSISTENT WITH ASSIGN-  
10 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)  
11 of such title is amended by inserting after the 1st  
12 sentence the following: “In the case of a spouse or  
13 former spouse who, pursuant to section 405(a)(8) of  
14 the Social Security Act (42 U.S.C. 605(a)(8)), as-  
15 signs to a State the rights of the spouse or former  
16 spouse to receive support, the Secretary concerned  
17 may make the child support payments referred to in  
18 the preceding sentence to that State in amounts con-  
19 sistent with that assignment of rights.”.

20 (3) ARREARAGES OWED BY MEMBERS OF THE  
21 UNIFORMED SERVICES.—Section 1408(d) of such  
22 title is amended by adding at the end the following:

23 “(6) In the case of a court order for which effective  
24 service is made on the Secretary concerned on or after  
25 the date of the enactment of this paragraph and which

1 provides for payments from the disposable retired pay of  
2 a member to satisfy the amount of child support set forth  
3 in the order, the authority provided in paragraph (1) to  
4 make payments from the disposable retired pay of a mem-  
5 ber to satisfy the amount of child support set forth in a  
6 court order shall apply to payment of any amount of child  
7 support arrearages set forth in that order as well as to  
8 amounts of child support that currently become due.”.

9           (4) PAYROLL DEDUCTIONS.—The Secretary of  
10 Defense shall begin payroll deductions within 30  
11 days after receiving notice of withholding, or for the  
12 first pay period that begins after such 30-day pe-  
13 riod.

14 **SEC. 764. VOIDING OF FRAUDULENT TRANSFERS.**

15 Section 466 (42 U.S.C. 666), as amended by section  
16 721 of this Act, is amended by adding at the end the  
17 following:

18           “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In  
19 order to satisfy section 454(20)(A), each State must have  
20 in effect—

21                   “(1)(A) the Uniform Fraudulent Conveyance  
22 Act of 1981;

23                   “(B) the Uniform Fraudulent Transfer Act  
24 of 1984; or

1           “(C) another law, specifying indicia of  
2 fraud which create a prima facie case that a  
3 debtor transferred income or property to avoid  
4 payment to a child support creditor, which the  
5 Secretary finds affords comparable rights to  
6 child support creditors; and

7           “(2) procedures under which, in any case in  
8 which the State knows of a transfer by a child sup-  
9 port debtor with respect to which such a prima facie  
10 case is established, the State must—

11                   “(A) seek to void such transfer; or

12                   “(B) obtain a settlement in the best inter-  
13 ests of the child support creditor.”.

14 **SEC. 765. SENSE OF THE CONGRESS THAT STATES SHOULD**  
15 **SUSPEND DRIVERS’, BUSINESS, AND OCCUPA-**  
16 **TIONAL LICENSES OF PERSONS OWING PAST-**  
17 **DUE CHILD SUPPORT.**

18           It is the sense of the Congress that each State should  
19 suspend any driver’s license, business license, or occupa-  
20 tional license issued to any person who owes past-due child  
21 support.

22 **SEC. 766. WORK REQUIREMENT FOR PERSONS OWING**  
23 **PAST-DUE CHILD SUPPORT.**

24           Section 466(a) of the Social Security Act (42 U.S.C.  
25 666(a)), as amended by sections 701(a), 715, 717(a), and

1 723 of this Act, is amended by adding at the end the  
2 following:

3 “(16) PROCEDURES TO ENSURE THAT PERSONS  
4 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN  
5 FOR PAYMENT OF SUCH SUPPORT.—

6 “(A) Procedures requiring the State, in  
7 any case in which an individual owes past-due  
8 support with respect to a child receiving assist-  
9 ance under a State program funded under part  
10 A, to seek a court order that requires the indi-  
11 vidual to—

12 “(i) pay such support in accordance  
13 with a plan approved by the court; or

14 “(ii) if the individual is subject to  
15 such a plan and is not incapacitated, par-  
16 ticipate in such work activities (as defined  
17 in section 404(b)(1)) as the court deems  
18 appropriate.

19 “(B) As used in subparagraph (A), the  
20 term ‘past-due support’ means the amount of a  
21 delinquency, determined under a court order, or  
22 an order of an administrative process estab-  
23 lished under State law, for support and mainte-  
24 nance of a child, or of a child and the parent  
25 with whom the child is living.”.

1 **SEC. 767. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections  
3 716 and 746(b) of this Act, is amended by adding at the  
4 end the following:

5 “(o) SUPPORT ORDER DEFINED.—As used in this  
6 part, the term ‘support order’ means an order issued by  
7 a court or an administrative process established under  
8 State law that requires support and maintenance of a child  
9 or of a child and the parent with whom the child is liv-  
10 ing.”.

11 **SEC. 768. LIENS.**

12 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended  
13 to read as follows:

14 “(4) Procedures under which—

15 “(A) liens arise by operation of law against  
16 real and personal property for amounts of over-  
17 due support owed by an absent parent who re-  
18 sides or owns property in the State; and

19 “(B) the State accords full faith and credit  
20 to liens described in subparagraph (A) arising  
21 in another State, without registration of the un-  
22 derlying order.”.

1 **SEC. 769. STATE LAW AUTHORIZING SUSPENSION OF LI-**  
2 **CENSES.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by  
4 sections 715, 717(a), and 723 of this Act, is amended by  
5 adding at the end the following:

6 “(15) AUTHORITY TO WITHHOLD OR SUSPEND  
7 LICENSES.—Procedures under which the State has  
8 (and uses in appropriate cases) authority to withhold  
9 or suspend, or to restrict the use of driver’s licenses,  
10 professional and occupational licenses, and rec-  
11 reational licenses of individuals owing overdue sup-  
12 port or failing, after receiving appropriate notice, to  
13 comply with subpoenas or warrants relating to pa-  
14 ternity or child support proceedings.”.

15 **Subtitle H—Medical Support**

16 **SEC. 771. TECHNICAL CORRECTION TO ERISA DEFINITION**  
17 **OF MEDICAL CHILD SUPPORT ORDER.**

18 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-  
19 ployee Retirement Income Security Act of 1974 (29  
20 U.S.C. 1169(a)(2)(B)) is amended—

21 (1) by striking “issued by a court of competent  
22 jurisdiction”;

23 (2) by striking the period at the end of clause  
24 (ii) and inserting a comma; and

25 (3) by adding, after and below clause (ii), the  
26 following:

1           “if such judgment, decree, or order (I) is issued  
2           by a court of competent jurisdiction or (II) is  
3           issued through an administrative process estab-  
4           lished under State law and has the force and ef-  
5           fect of law under applicable State law.”.

6           (b) EFFECTIVE DATE.—

7           (1) IN GENERAL.—The amendments made by  
8           this section shall take effect on the date of the en-  
9           actment of this Act.

10          (2) PLAN AMENDMENTS NOT REQUIRED UNTIL  
11          JANUARY 1, 1996.—Any amendment to a plan re-  
12          quired to be made by an amendment made by this  
13          section shall not be required to be made before the  
14          first plan year beginning on or after January 1,  
15          1996, if—

16                (A) during the period after the date before  
17                the date of the enactment of this Act and be-  
18                fore such first plan year, the plan is operated  
19                in accordance with the requirements of the  
20                amendments made by this section; and

21                (B) such plan amendment applies retro-  
22                actively to the period after the date before the  
23                date of the enactment of this Act and before  
24                such first plan year.



1 A plan shall not be treated as failing to be operated  
2 in accordance with the provisions of the plan merely  
3 because it operates in accordance with this para-  
4 graph.

5 **Subtitle I—Enhancing Responsibility and Opportunity for Non-**  
6 **residential Parents**

8 **SEC. 781. GRANTS TO STATES FOR ACCESS AND VISITATION**  
9 **PROGRAMS.**

10 Part D of title IV (42 U.S.C. 651–669) is amended  
11 by adding at the end the following:

12 **“SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITA-**  
13 **TION PROGRAMS.**

14 “(a) IN GENERAL.—The Administration for Children  
15 and Families shall make grants under this section to en-  
16 able States to establish and administer programs to sup-  
17 port and facilitate absent parents’ access to and visitation  
18 of their children, by means of activities including medi-  
19 ation (both voluntary and mandatory), counseling, edu-  
20 cation, development of parenting plans, visitation enforce-  
21 ment (including monitoring, supervision and neutral drop-  
22 off and pickup), and development of guidelines for visita-  
23 tion and alternative custody arrangements.

1       “(b) AMOUNT OF GRANT.—The amount of the grant  
2 to be made to a State under this section for a fiscal year  
3 shall be an amount equal to the lesser of—

4           “(1) 90 percent of State expenditures during  
5 the fiscal year for activities described in subsection  
6 (a); or

7           “(2) the allotment of the State under sub-  
8 section (c) for the fiscal year.

9       “(c) ALLOTMENTS TO STATES.—

10           “(1) IN GENERAL.—The allotment of a State  
11 for a fiscal year is the amount that bears the same  
12 ratio to the amount appropriated for grants under  
13 this section for the fiscal year as the number of chil-  
14 dren in the State living with only 1 biological parent  
15 bears to the total number of such children in all  
16 States.

17           “(2) MINIMUM ALLOTMENT.—The Administra-  
18 tion for Children and Families shall adjust allot-  
19 ments to States under paragraph (1) as necessary to  
20 ensure that no State is allotted less than—

21           “(A) \$50,000 for fiscal year 1996 or 1997;

22           or

23           “(B) \$100,000 for any succeeding fiscal  
24 year.

1       “(d) NO SUPPLANTATION OF STATE EXPENDITURES  
2 FOR SIMILAR ACTIVITIES.—A State to which a grant is  
3 made under this section may not use the grant to supplant  
4 expenditures by the State for activities specified in sub-  
5 section (a), but shall use the grant to supplement such  
6 expenditures at a level at least equal to the level of such  
7 expenditures for fiscal year 1995.

8       “(e) STATE ADMINISTRATION.—Each State to which  
9 a grant is made under this section—

10           “(1) may administer State programs funded  
11 with the grant, directly or through grants to or con-  
12 tracts with courts, local public agencies, or non-prof-  
13 it private entities;

14           “(2) shall not be required to operate such pro-  
15 grams on a statewide basis; and

16           “(3) shall monitor, evaluate, and report on such  
17 programs in accordance with regulations prescribed  
18 by the Secretary.”.

## 19       **Subtitle J—Effect of Enactment**

### 20       **SEC. 791. EFFECTIVE DATES.**

21       (a) IN GENERAL.—Except as otherwise specifically  
22 provided (but subject to subsections (b) and (c))—

23           (1) the provisions of this title requiring the en-  
24 actment or amendment of State laws under section  
25 466 of the Social Security Act, or revision of State

1 plans under section 454 of such Act, shall be effective with respect to periods beginning on and after  
2 October 1, 1996; and  
3

4 (2) all other provisions of this title shall become effective upon enactment.  
5

6 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect  
7 to a State on the later of—  
8

9 (1) the date specified in this title, or

10 (2) the effective date of laws enacted by the legislature of such State implementing such provisions,  
11 but in no event later than the first day of the first calendar quarter beginning after the close of the first regular  
12 session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous  
13 sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to  
14 be a separate regular session of the State legislature.  
15  
16  
17  
18

19 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if the State  
20 is unable to so comply without amending the State constitution until the earlier of—  
21  
22  
23

24 (1) 1 year after the effective date of the necessary State constitutional amendment; or  
25

1           (2) 5 years after the date of the enactment of  
2           this title.

3           **TITLE VIII—MISCELLANEOUS**  
4                                   **PROVISIONS**

5           **SEC. 801. SCORING.**

6           Section 251(b)(2) of the Balanced Budget and Emer-  
7           gency Deficit Control Act of 1985 is amended by adding  
8           at the end the following new subparagraph:

9                           “(H) SPECIAL ALLOWANCE FOR WELFARE RE-  
10           FORM.—For any fiscal year, the adjustments shall  
11           be appropriations for discretionary programs result-  
12           ing from the Personal Responsibility Act of 1995 (as  
13           described in the joint explanatory statement accom-  
14           panying a conference report on that Act) in discre-  
15           tionary accounts and the outlays flowing in all years  
16           from such appropriations (but not to exceed  
17           amounts authorized for those programs by that Act  
18           for that fiscal year) minus appropriations for com-  
19           parable discretionary programs for fiscal year 1995  
20           (as described in the joint explanatory statement ac-  
21           companying a conference report on that Act.”.

22           **SEC. 802. PROVISIONS TO ENCOURAGE ELECTRONIC BENE-**  
23                                   **FIT TRANSFER SYSTEMS.**

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

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

5           “(1) IN GENERAL.—In the event”; and

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

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

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

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

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

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

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

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

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

19                   “(ii) does not include employment-re-  
20                   lated payments, including salaries and pen-  
21                   sion, retirement, or unemployment benefits

1                    established by Federal, State, or local gov-  
2                    ernments.”.

                  Passed the House of Representatives March 24,  
1995.

Attest:

*Clerk.*

- HR 4 EH—2
- HR 4 EH—3
- HR 4 EH—4
- HR 4 EH—5
- HR 4 EH—6
- HR 4 EH—7
- HR 4 EH—8
- HR 4 EH—9
- HR 4 EH—10
- HR 4 EH—11
- HR 4 EH—12
- HR 4 EH—13
- HR 4 EH—14
- HR 4 EH—15
- HR 4 EH—16
- HR 4 EH—17
- HR 4 EH—18
- HR 4 EH—19



HR 4 EH—20

HR 4 EH—21

HR 4 EH—22

HR 4 EH—23

HR 4 EH—24

HR 4 EH—25

HR 4 EH—26

HR 4 EH—27