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# Senate

The Senate met at 9:30 a.m., and was called to order by the President pro tempore [Mr. THURMOND].

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

Gracious God, knowledge of You is our purpose and our passion. It is also our greatest need and our most urgent desire. We really want to know You, not just as some distant creator and sustainer of the universe but as our Father and our Friend. We confess that often our lack of knowledge of You is the cause of our insecurity, our inconsistency, and our insufficiency. It also accounts for our vacillation in our prayers. We commit this day to seek to know You better. We open our true selves to You; we want to be real, honest, and vulnerable with You; we invite You to invade every aspect of our relationships and our responsibilities today. Show us Your will and give us the strength and courage to follow Your guidance. We dedicate ourselves to make knowledge of You our first priority. Show us Your grace and goodness, righteousness and power. We place our total trust in You, and we will live by faith in You today. Be the unseen but undeniable presence in every moment of this day.

Gracious Lord, as we seek to know You and understand You, we wonder why good people face difficult and painful things. We wonder about the crash of the TWA aircraft. We think of the young people and the sponsors who were with them from Montoursville, PA. We realize that Your most difficult decision was to allow this world to be free in which accidents can happen, wrong choices can be made. And we turn to You for Your strength and courage in the midst of questions that seem to be without answers. But we also know that in spite of everything, You are in control, and so we trust You as our Lord and Savior. Amen.

RECOGNITION OF THE ACTING MAJORITY LEADER

The PRESIDENT pro tempore. The able acting majority leader, Senator STEVENS, is recognized.

SCHEDULE

Mr. STEVENS. Mr. President, this morning the Senate will immediately resume consideration of the Department of Defense appropriations bill.

Under a previous order, the Senate will proceed to a series of three rollcall votes on the remaining amendments and passage of the Department of Defense appropriations bill.

Following passage of the defense bill, the Senate will then proceed to the reconciliation bill, S. 1956. That matter will be considered under a 20-hour statutory limitation, and the majority leader is hopeful that under the 20-hour statutory time limitation, some time can be yielded back. Senators can expect rollcall votes throughout the day on amendments to the reconciliation bill and a late-night session is anticipated by the majority leader in the hopes of completing action on that matter today.

DEPARTMENT OF DEFENSE APPROPRIATIONS FOR FISCAL YEAR 1997

The PRESIDING OFFICER (Mr. KYL). Under the previous order, the Senate will now resume consideration of S. 1894, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1894) making appropriations for the Department of Defense for the fiscal year ending September 30, 1997, and for other purposes.

The Senate resumed consideration of the bill.

Pending:

Harkin/Simon amendment No. 4492, relating to payments by the Department of Defense of restructuring costs associated with business combinations.

Levin amendment No. 4893, to strike funding for new production of F–16 aircraft in excess of six, and transfer the funding to increase funding for anti-terrorism support.

AMENDMENT NO. 4492

The PRESIDING OFFICER. The Senate will now proceed to rollcall votes with respect to amendments offered on Wednesday, July 17, with 2 minutes for explanation equally divided prior to each vote. The first amendment is No. 4492, the motion to table. The yeas and nays have been ordered.

Who yields time?

Mr. HARKIN. Mr. President, I understand we have a minute on each side to explain the amendment?

The PRESIDING OFFICER. That is correct.

Mr. HARKIN. Mr. President, all I can say is:

> Remember the $600 toilet seat and the $500 hammers that had taxpayers up in arms during the mid-1980's. Today's subsidized mergers are going to make them look like bargains.

That is not my quote. That is a quote of Lawrence Korb, President Reagan's Under Secretary of Defense.

In 1993, DOD changed its policy to allow payments to defense contractors for the costs of mergers and acquisitions. The GAO and inspector general have both recently issued reports that seriously question DOD's purported savings.

This amendment simply puts a 1-year hold on merger costs while the GAO, the IG, and OMB put together a mechanism to make sure that future payments actually result in savings. It does not affect Government assistance to laid-off workers. It does not prohibit payment of any merger costs which DOD is contractually obligated to pay in the fiscal year 1997.

The PRESIDING OFFICER. The Senator from Alaska.

Mr. STEVENS. Mr. President, this amendment would prevent severance

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.



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pay for employees under a restructuring plan. It would eliminate early retirement incentive payments for employees, employee retraining costs, relocation expenses for retrained and retained employees, placement services for employees, and continued medical-dental-life insurance coverage for terminated employees. In the past 3 years, the Department of Defense has reimbursed contractors $300 million in restructuring costs and will save $1.4 billion, a 450-percent return on the investment.

Mr. President, it is my understanding this will be a 20-minute vote, regular vote, and the following votes will be 10 minutes. Is that correct?

The PRESIDING OFFICER. The Senator from Alaska is correct.

Mr. STEVENS. Mr. President, the yeas and nays have been ordered?

The PRESIDING OFFICER. The yeas and nays have been ordered. The question is on agreeing to the motion to table. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] and the Senator from Connecticut [Mr. DODD] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 71, nays 27, as follows:

[Rollcall Vote No. 198 Leg.]

YEAS—71

| | | |
|---|---|---|
| Abraham | Frahm | Mack |
| Ashcroft | Frist | McCain |
| Bennett | Gorton | McConnell |
| Biden | Graham | Mikulski |
| Bingaman | Gramm | Murkowski |
| Bond | Grams | Nickles |
| Bradley | Gregg | Nunn |
| Breaux | Hatch | Pell |
| Bryan | Heflin | Pressler |
| Burns | Helms | Robb |
| Campbell | Hutchison | Rockefeller |
| Chafee | Inhofe | Roth |
| Coats | Inouye | Santorum |
| Cochran | Jeffords | Sarbanes |
| Cohen | Johnston | Shelby |
| Conrad | Kassebaum | Simpson |
| Coverdell | Kempthorne | Smith |
| Craig | Kerrey | Snowe |
| D'Amato | Kyl | Specter |
| DeWine | Lautenberg | Stevens |
| Domenici | Levin | Thomas |
| Exon | Lieberman | Thurmond |
| Faircloth | Lott | Warner |
| Ford | Lugar | |

NAYS—27

| | | |
|---|---|---|
| Akaka | Glenn | Moseley-Braun |
| Baucus | Grassley | Moynihan |
| Boxer | Harkin | Murray |
| Brown | Hatfield | Pryor |
| Byrd | Hollings | Reid |
| Daschle | Kennedy | Simon |
| Dorgan | Kerry | Thompson |
| Feingold | Kohl | Wellstone |
| Feinstein | Leahy | Wyden |

NOT VOTING—2

| | |
|---|---|
| Bumpers | Dodd |

The motion to lay on the table the amendment (No. 4492) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. GRAMM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Who yields time?

Does the Senator from Michigan wish to proceed?

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

AMENDMENT NO. 4893

Mr. LEVIN. Mr. President, this amendment would transfer money that the Air Force did not ask for for two F–16's and transfer it into an antiterrorist emergency account which we created yesterday which the Department of Defense very much needs and wants.

The original budget request asked us for four F–16's. Then when we asked the Air Force, if they had additional funds, what would they spend those funds on? They said, well, if they had about $2 billion extra, they would add two more F–16's, for a total of six. In this appropriations bill, there are eight, four more F–16's than the Air Force requested in their original budget request and two more even than they asked for on their wish list.

So what this amendment would do is transfer that $48 million not requested by the Air Force for F–16's and move it into an antiterrorism emergency fund.

Mr. STEVENS. Mr. President, after the event of last night, this is a very serious matter. I want to start off by assuring the Senate that we have money for counterterrorism in the Commerce bill, in the Treasury-Post Office bill, in the Transportation bill. I want to tell you as chairman of this committee, there are significant—very significant—sums in the classified portions of this bill for counterterrorism. So the counterterrorism issue should be set aside.

The question is, are the two extra F–16's—the F–4 Wild Weasels are being retired. The F–16's can take their place in that role. The F–16's—it is true what the Senator said, they first asked for two. When we looked at it, and the authorization bill authorized four, we went into it in depth. I personally talked to General Fogleman, Chief of the Air Force, about the need. He said they do in fact need this. As a matter of fact, General Ralston who is now the Vice Chairman of the Joint Chiefs, has said that we are short 120 airplanes if the F–16's are to carry out the two contingency roles.

I believe we need these extra two F–16's. That is the issue, not counterterrorism. I moved to table this amendment. This will be a rollcall vote.

The PRESIDING OFFICER (Mr. FRIST). The question occurs on agreeing to the motion to lay on the table the Levin amendment No. 4893. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 58, nays 41, as follows:

[Rollcall Vote No. 199 Leg.]

YEAS—58

| | | |
|---|---|---|
| Akaka | Frahm | Mack |
| Ashcroft | Frist | McConnell |
| Bennett | Gorton | Moynihan |
| Biden | Gramm | Murkowski |
| Bond | Grams | Nickles |
| Breaux | Grassley | Pressler |
| Brown | Gregg | Roth |
| Burns | Hatch | Santorum |
| Campbell | Heflin | Shelby |
| Chafee | Helms | Simpson |
| Coats | Hollings | Smith |
| Cochran | Hutchison | Snowe |
| Cohen | Inhofe | Specter |
| Coverdell | Inouye | Stevens |
| Craig | Johnston | Thomas |
| D'Amato | Kassebaum | Thompson |
| DeWine | Kempthorne | Thurmond |
| Dodd | Kyl | Warner |
| Domenici | Lieberman | |
| Faircloth | Lott | |

NAYS—41

| | | |
|---|---|---|
| Abraham | Glenn | Mikulski |
| Baucus | Graham | Moseley-Braun |
| Bingaman | Harkin | Murray |
| Boxer | Hatfield | Nunn |
| Bradley | Jeffords | Pell |
| Bryan | Kennedy | Pryor |
| Byrd | Kerrey | Reid |
| Conrad | Kerry | Robb |
| Daschle | Kohl | Rockefeller |
| Dorgan | Lautenberg | Sarbanes |
| Exon | Leahy | Simon |
| Feingold | Levin | Wellstone |
| Feinstein | Lugar | Wyden |
| Ford | McCain | |

NOT VOTING—1

Bumpers

The motion to lay on the table the amendment (No. 4893) was agreed to.

Mr. STEVENS. Mr. President, I move to reconsider the vote.

Mr. INOUYE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

B–52 MODIFICATIONS AMENDMENT

Mr. STEVENS. Mr. President, yesterday during consideration of the defense appropriations bill, the Senate adopted my amendment allocating an additional $11,500,000 in Air Force aircraft procurement funds for modifications to B–52 bombers. I want to explain the source for these funds.

In reporting out its version of the fiscal year 1997 Defense Appropriations Act, the committee added operations and maintenance funds to maintain the current force structure for B–52 bomber attrition reserve aircraft.

My amendment allocated funds from within the aircraft procurement account to modify these aircraft. These modifications are required to maintain the combat effectiveness of these aircraft should they be called upon to fly combat missions.

The funds for the bomber modifications are to be offset by a decrease of funds allocated for the F–15 fighter data link modifications in the same appropriations account.

The fighter data link funds are excess to program requirements due to a delay in a projected contract award. The fighter data link program remains fully funded for fiscal year 1997.

HARRISBURG INTERNATIONAL AIRPORT

Mr. SANTORUM. Mr. President, I rise to alert my colleagues to an environmental restoration center at the Harrisburg International Airport, formerly Olmsted Air Force Base, located in Pennsylvania. My colleague, Congressman GEORGE GEKAS, has shown great leadership on the issue of environmental restoration.

In 1984, this former Air Force base was designated an Environmental Protection Agency Superfund site. For the last 13 years, an intense effort under the guidance of the EPA, has been undertaken at the local, State, and Federal level to determine the nature of the origins, locations, and the proper remediation of the waste left by the U.S. Air Force. A database established at the site will enable all future site users to have an understanding of the remediation efforts undertaken. By the time all the current participants have left the site, the only remaining reliable reference source will be this database.

Mr. STEVENS. I thank the Senator from Pennsylvania for his efforts in keeping the committee informed of his actions on this matter. I will work with my colleagues during conference to examine this matter more closely.

SACRIFICES FOR DEFENSE

Mr. BYRD. Mr. President, I want to congratulate my colleagues on the Appropriations Committee, Senator STEVENS and Senator INOUYE, on their efforts to complete action on the Fiscal Year 1997 Defense Appropriations bill. Their management of this complex bill is masterful and executed with their customary efficiency. The bill is within the 602(b) allocations and it is consistent with the amount recommended by the budget resolution.

This bill addresses legitimate defense needs and provides support for the men and women in our military. It contains a 3-percent raise in pay for military personnel and a 4-percent raise in the basic allowance for quarters, both effective January 1, 1997.

It fully funds the initiative included in the fiscal year 1997 Defense authorization bill to support the operations of, and enhanced modifications for, the SR–71 reconnaissance aircraft. The rationale for including this system in the fiscal year 1997 budget is that it is an invulnerable proven system, available day or night, in all-weather, regardless of cloud cover. It is available for our commanders in the theater, on an on-call basis, to provide near-real-time imagery of the battlefield or area of interest to those Commanders. As such, it is now available as America's premier tactical reconnaissance airborne system. Furthermore, it is inexpensive, compared to the costs incurred for the development of our unmanned aerial vehicles now being funded. I am a strong supporter of developing UAV's as rapidly as prudent development schedules allow, but it will still be years before a proven system can be fielded. When that occurs, I would support retiring the Blackbird aircraft, but it would be foolish to throw away this unique system before it is fully replaced. Therefore, I congratulate the managers for their support of continuing the SR–71 in service. The funding includes $30 million for 1 year of operations, and $9 million in modification costs which enhance the real-time downlink from the aircraft directly to our commanders on the ground. I hope and certainly expect that our commanders in the field, in Korea, in Bosnia, and in other regions of interest will call upon the system frequently to provide the unique data for them that is now available.

My concern regarding this bill is not with the many worthy provisions contained with it. I do not want a weak military, unable to defend our legitimate and vital national security interests. But neither do I want a weak nation, sapped of its vitality, worn down and shabby because legitimate domestic needs have been neglected in favor of greater spending on defense. I do not want to see in America a street person, dirty, dressed in rags, but carrying a shiny new pistol. I want to see in America a hard-working, educated, prosperous homeowner, with a well-kept yard where bright-eyed and well-fed children play.

I know that this bill is within its allocation and consistent with the budget resolution guidelines, but I believe that the budget resolution guidelines are out of balance with American priorities, skewed toward military spending at the expense of education, infrastructure, and other domestic necessities. I would rather rebuild bridges over mighty rivers than build bridges on unneeded ships. I would rather spend funds on domestic airline safety measures than on unrequested fighter aircraft. I would rather support more police on our city streets stopping bullets than futuristic missile-stopping missiles aimed at a flimsy threat.

This bill is $10.2 billion over the administration's request for defense. Some have argued that defense spending has declined in real terms over the last 10 years, and that buying weapons now rather than later in the decade saves money. But the funding for domestic programs has also declined, and continues to decline. If we are to make good on our promises to reduce the deficit and to bring spending in line with reality, every program, domestic and defense alike, must share in the sacrifice. Right now, domestic programs are being cut more deeply in order to support defense spending that is above the administration's request. For instance, the Department of Agriculture, as part of its Water 2000 initiative to provide safe, affordable drinking water to every home in the United States by the turn of the century, estimates that $9.8 billion is needed to accomplish that goal. This $9.8 billion is needed to provide nearly 3 million U.S. households—176,114 of them in my own State of West Virginia—with clean drinking water. For less than the amount added to the Department of Defense for 1 year, we could provide clean, safe, drinking water to 8 million suffering Americans.

The budget resolution, which passed without my support, deliberately chose to sacrifice safe drinking water, education, highways, medical research, police, children's programs, and other peaceful domestic programs, in order to spend more on weapons and war. I regret the choice and the path that we have taken. This defense appropriations bill is the result of that decision, and reflects the largess bestowed upon the Defense Department at the expense of the Departments of Education, Labor, Agriculture, Environment, Health and Human Services, Interior, and others. It reflects the decisions taken in the defense authorization bill, which I voted against. Therefore, I must regretfully vote against this bill.

Mr. GLENN. Mr. President, I rise today in opposition to S. 1894, the Department of Defense appropriations bill for fiscal year 1997. This bill suffers from the same fundamental defect as S. 1745, the national defense authorization bill, a bill I also opposed.

The appropriations bill adds $10.2 billion to the President's budget request. The $10.2 billion is spent partially funding programs not requested by the administration for which we will pay billions in the outyears. For example, the bill adds $856 million for ballistic missile defense research, of which $300 million is added to the national missile defense account. The bill also adds $525 million in unrequested funds for the DDG–51, $701 million in unrequested funds for the new attack submarine, $300 million in unrequested funds for the V–22, $489 million in unrequested funds for the F/A–18 C/D, $760 million in unrequested funds for National Guard and Reserve equipment, $204.5 million in unrequested funds for the C–130, $107.4 million in unrequested funds for the F–16, and $210 million in unrequested funds for the JSTARS program.

I have been a long time supporter of our efforts to ensure our national security. However, Mr. President, this is the second time in my Senate career that I have felt that I must oppose a Defense Appropriations bill. I cannot support adding billions and billions of dollars for programs that I am not convinced and the Pentagon does not believe we need. It is true that I would support additional funding for some of these programs but adding $10.2 billion in unrequested funding is simply too much particularly when we are cutting funding for critical programs elsewhere in the budget.

Mr. HATFIELD. Mr. President, as Chairman of the Appropriations Committee, which is responsible for recommending sound, fiscally responsible funding legislation to the Senate, I am deeply disturbed about the spending levels contained in the fiscal year 1997 Department of Defense appropriation bill.

This bill provides over $244 billion in budget authority for the coming year. This reflects the recently passed national defense authorization bill, which authorized nearly $11.3 billion more than the administration requested for military spending for 1997. Included in this legislation are billions of dollars worth of weapons the Pentagon says it does not want and cannot afford to maintain in the future. Meanwhile, vital domestic programs are being critically underfunded or terminated. Fiscally, this is unwise; morally, it is unconscionable.

Despite all the debate about balancing the Federal budget, it is apparent to me that we are not yet ready to break off our addiction to excessive military spending. Of even more concern, is the continued failure of this body to define national security in a truly comprehensive and meaningful way. As I have stated many times before, true national security consists of more than our arsenal of military weapons, it also includes the health and welfare of our population.

Many years ago, the cabinet agency tasked with protecting the national security of the United States was renamed from the Department of War to the Department of Defense. This is an important distinction. The definition of war is a state of open and hostile conflict between states or nations. The definitions of defense and security carry with them much broader connotations. Defense, or to defend, is to drive danger or attack away from. While security means freedom from danger, freedom from fear or anxiety, freedom from want or deprivation.

The mission of the Department of Defense is to protect the citizens of the United States against threats to our security. Let us recognize that these threats can take many forms, that they are internal as well as external. The American people are under attack today. The attacks are not as obvious as tanks rolling down Constitution Avenue or nuclear submarines sailing up the Potomac River. The enemies aren't as easily identifiable as a soldier pointing a gun, rather they are often subtle and insidious. But, make no mistake, we do have formidable enemies threatening our population. The enemies I speak of are disease and disability.

In one year, more Americans will die from disease than from all the military battles fought in the twentieth century. The number of Americans killed in battle during World War I, World War II, Korea, Vietnam, Panama, the Persian Gulf, and Somalia total 426,175. Certainly a horrendous number and a tragic loss of life. In contrast, however, approximately 500,000 people will die of cancer this year alone. Lung cancer will kill 115,000 Americans, breast cancer 48,000, and prostate cancer 41,000. I could go on and on. Heart disease will kill over 743,000 people, diabetes 53,000, and AIDS 37,000. The list of casualties from disease is endless.

Make no mistake, there are thousands of tiny wars being fought in America today. The battleground is the human body. The command centers are clinical research laboratories and our weapons are test tubes and microscopes. The Generals and Admirals leading the fight are the medical researchers, physicians, and nurses all around the country searching for new treatments and cures for disease.

But in this war, the front line troops are civilians as well as soldiers. This battle is as ugly and painful as any military conflict. Every day men, women, and children are being killed, maimed, and ravaged by disease. No mortars are being launched, but limbs are being amputated as a result of diabetes. No napalm has been dropped, but skin is destroyed and bodies are disfigured by EB. No nerve gas has been released, but brains and central nervous systems are disabled by Alzheimers and Parkinsons diseases. It is time to declare war on disease and disability. This is a battle which is worthy of the full commitment and resources of our Federal Government, including the Department of Defense. In fact, this is one war which I fully support.

The Department of Defense also has the responsibility to care for the men and women who sacrifice to serve and protect our country. In devoting a small portion of its considerable resources to medical research and treatment, the Pentagon invests in the health and welfare of our troops, as well as our military retirees, veterans, and family members.

Several years ago, Congress appropriated funds for and directed the Department of Defense to establish a peer-reviewed breast cancer research program. This program has been a tremendous success and is a vital component in the effort to find a cure for breast cancer. We have continued funding for that program in 1997. In this bill, we have also provided $100 million to establish a similar program for prostate cancer research.

Prostate cancer is the second leading cause of cancer death among men. Yet, it has largely been overlooked by the general public and research has been grievously underfunded by the Federal Government. In 1996, over 317,000 men will be diagnosed with prostate cancer and 41,400 will die from it. Yet, with early detection, 9 out of 10 men can be successfully treated for prostate cancer. Clearly, an investment in research to improve detection and treatment of this disease will yield a tremendous return.

Medical research is the key to winning the war against disease and disability. I am pleased that the Senate has included some funding for this critical effort in this legislation. In my view, however, the amount of resources devoted to life-destroying technologies compared to life-sustaining endeavors is still critically out of balance. The health and well-being of our population is every bit as vital to the Nation's security as our arsenal of military weapons. Until this imbalance is recognized and corrected, the people of our Nation will continue to be vulnerable to these destructive enemies and true national security will not be achieved, no matter what our level of military might.

The PRESIDING OFFICER. Under the previous order, the bill, S. 1894, will be read for the third time.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. Under the previous order, the Senate shall proceed immediately to the House companion bill, H.R. 3610; that all after the enacting clause be stricken and the text of S. 1894, as amended, if amended, be inserted, and that H.R. 3610 be read for the third time.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read for the third time.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota is recognized for 5 minutes.

Mr. DORGAN. Mr. President, I rise to discuss briefly today's vote on the defense appropriations bill. I will be voting for this bill, because it includes provisions that do support our national defense. But I have some serious concerns about the overall level of spending, as well as some other issues that I feel should be addressed in negotiations during the conference.

On the positive side, this bill contains $150 million to fund the Nunn-Lugar-Domenici amendment, which will strengthen the Nunn-Lugar program. As I have said a number of times on this floor, Nunn-Lugar is exactly the kind of investment in our security that we should be making. It is far cheaper to destroy Russian missiles and bombers now than to make new expenditures on a strategic deterrent or a missile defense system against them later.

The strengthened Nunn-Lugar program will also help us prevent the spread and use of weapons of mass destruction by terrorists. A terrorist nuclear, chemical, or biological attack is perhaps our worst security nightmare today.

Moreover, this defense bill contains $69 million for operating, maintaining, and upgrading the Nation's full fleet of B–52 bombers. The defense authorization bill rightly prohibited retirement of B–52's before Russia ratifies the START II Treaty. I am hopeful that the House will agree to the Senate's very modest investment. It will enable the Air Force to abide by the authorization bill's directive to retain this combat-proven force of long-range bombers.

On the other hand, given our bipartisan commitment to a balanced budget, the overall funding level in this bill is not sustainable. It exceeds the President's budget request by $10 billion. The $6 billion downpayment for unrequested ships and aircraft alone in the bill will create a funding crunch in

the years to come. To make expansive procurement decisions as if they have no consequences for deficit reduction is not responsible.

Second, my colleagues will not be surprised to learn that I am troubled by the bill's commitment of $808 million for national missile defense, $300 million above the administration's request. This additional funding is unwanted, unneeded, unfrugal, and unwise.

So I will reluctantly vote for this bill in order to move the appropriations process forward. Yet I will closely examine the conference report on the bill. I urge the conferees to make it more fiscally responsible than the versions passed by either the Senate or the House of Representatives.

Thank you, Mr. President. I yield the floor.

The PRESIDING OFFICER. Under the previous order, there will now be 5 minutes, equally divided, under the control of the two managers.

Mr. INOUYE. Mr. President, in a few minutes, the Senate will vote on the final passage of this bill. I wanted to use this opportunity to advise my colleagues of my complete support of this measure. Yes, this bill provides more funding than sought by the administration, but it is at a level approved by the Congress in the budget resolution. Furthermore, while it is $1.3 billion more than appropriated last year, it still falls short in keeping up with inflation.

Mr. President, it is a very good bill. It funds the priorities of the administration. It contains no controversial riders on social policy. It redresses shortfalls identified by our military leaders. It provides funding to cover overseas contingencies, and it meets the needs of our field commanders, who have identified many items that they require to improve the quality of the lives of our men and women in uniform.

Mr. President, it is a bipartisan bill. Yesterday, the Senate agreed on approximately 60 amendments and, by my count, nearly half were Democratic amendments. This should come as no surprise to my colleagues. The Appropriations Committee, particularly this subcommittee, has a long tradition of bipartisanship.

If I may, I would like to take my hat off to our chairman, who has done an extraordinary job in preparing the recommendations in the bill and managing it on the floor. Mr. President, there is no finer floor manager in the Senate than my friend from Alaska, TED STEVENS.

I thank the staff on both sides of the aisle for their help in this very difficult legislation. A particular note of thanks to the staff director, Steve Cortese, for his leadership. On my staff, a special thanks to Lt. Col. Tina Homeland, who kept her eye on health programs for me this year. Also Emelie East of the subcommittee who provided tireless energy in keeping track of all of the amendments and assuring their adoption.

So, Mr. President, I urge all of my colleagues to support this measure.

Mr. STEVENS. Mr. President, this bill does reflect the partnership that the Senator from Hawaii and I have shared for many years. I can assure all Senators that this approach is a bipartisan approach and will be followed throughout the conference on this bill with the House.

I will make further statements after the vote, if I may. At this time, I yield the remainder of my time and ask for final passage of this bill.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall the bill pass?

The yeas and nays have been ordered.

The clerk will call the roll.

The bill clerk called the roll.

Mr. FORD. I announce that the Senator from Arkansas [Mr. BUMPERS] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 72, nays 27, as follows:

[Rollcall Vote No. 200 Leg.]

YEAS—72

| | | |
|---|---|---|
| Abraham | Feinstein | Lugar |
| Akaka | Ford | Mack |
| Ashcroft | Frahm | McCain |
| Bennett | Frist | McConnell |
| Bingaman | Gorton | Mikulski |
| Bond | Gramm | Murkowski |
| Breaux | Grams | Murray |
| Bryan | Grassley | Nickles |
| Burns | Gregg | Nunn |
| Campbell | Hatch | Pell |
| Chafee | Heflin | Pressler |
| Coats | Helms | Reid |
| Cochran | Hollings | Robb |
| Cohen | Hutchison | Roth |
| Conrad | Inhofe | Santorum |
| Coverdell | Inouye | Shelby |
| Craig | Jeffords | Simpson |
| D'Amato | Johnston | Smith |
| Daschle | Kassebaum | Snowe |
| DeWine | Kempthorne | Stevens |
| Dodd | Kyl | Thomas |
| Domenici | Leahy | Thompson |
| Dorgan | Lieberman | Thurmond |
| Faircloth | Lott | Warner |

NAYS—27

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|---|---|---|
| Baucus | Graham | Moseley-Braun |
| Biden | Harkin | Moynihan |
| Boxer | Hatfield | Pryor |
| Bradley | Kennedy | Rockefeller |
| Brown | Kerrey | Sarbanes |
| Byrd | Kerry | Simon |
| Exon | Kohl | Specter |
| Feingold | Lautenberg | Wellstone |
| Glenn | Levin | Wyden |

NOT VOTING—1

Bumpers

The bill (H.R. 3610), as amended, was passed.

Mr. STEVENS. Mr. President, I thank the Senate for this overwhelming bipartisan support of this bill. It is a bill that I think meets the needs as best we can of our defense forces and maintains the defense of this country. This year we had a record number of requests to our subcommittee from Members of the Senate and, I might say, also from Members of the House that we had to consider. Were it not for this fine working relationship that the Senator from Hawaii and I have, it would be impossible to deal with a bill of this magnitude in a 24-hour period.

But we have done that, and there are a number of people who deserve to be identified now who have worked hard in the preparation of this bill. The Senator from Hawaii has mentioned the people on his side of the aisle. This team works together on a bipartisan basis on the staff level, too. So I want to note the contributions of the subcommittee staff on our side. We have this long record of bipartisan work together: Steve Cortese, who is our staff director; Charlie Houy, staff director on the other side; Peter Lennon, Jay Kimmitt, Mary Marshall, Jim Morhard, John Young, Sid Ashworth, Susan Hogan, Mazie Mattson, Justin Weddle, Candice Rogers, and Emelie East.

This year we were assisted by two individuals who were loaned to our committee. As I said, we have just had a tremendous workload this year. We have Darrell Roberson from the Air Force and Mike Gillmore from GAO who worked with us. During the floor debate yesterday, I was pleased to be able to have two of the high school interns from my office who have observed our work and were helpful to me yesterday, Brad Brunsdon from Fairbanks and Meegan Condon of Petersburg.

This was my first opportunity to manage a bill in the Chamber since the retirement of Senator Dole, and I want to express my thanks to our new leader, TRENT LOTT, for his unwavering efforts to help us get this bill passed. I thank the Senate for its patience.

Additionally, we have received full consideration from many Members. We started out yesterday morning, I believe, with about 150 amendments, and they have all been handled in one fashion or another in order to get to where we are today. I do thank Senator MCCAIN and Ann Sauer of his staff, who have worked with us this year to review amendments to make certain that we would not meet objections to them in terms of their presentation to the Senate here on a unanimous-consent basis. Today, I have Megan Curry of Juneau and Beth Pozzi of Anchorage with me in the Chamber.

I am pleased to once again thank the Senate for the support of this bill. I do think the American people should know that we have firm support here in the Senate now on a bipartisan basis to maintain the level of expenditures which we believe are necessary. I hope we can get the bill into conference and back as soon as possible, because we want time to work with the White House to make sure that the executive branch is willing to share with us this burden of maintaining the funding of our military throughout the world.

Mr. President, I now move to reconsider the vote the Senate has just taken to pass this bill.

Mr. INOUYE. I move to table the motion.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. Under the previous order, the Senate shall insist on its amendments and request a conference with the House.

The Chair appointed Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. MACK, Mr. SHELBY, Mr. GREGG, Mr. HATFIELD, Mr. INOUYE, Mr. HOLLINGS, Mr. JOHNSTON, Mr. BYRD, Mr. LEAHY, Mr. BUMPERS, Mr. LAUTENBERG, and Mr. HARKIN conferees on the part of the Senate.

The PRESIDING OFFICER. Under the previous order, S. 1894 shall be returned to the calendar.

Mr. STEVENS. I thank the Chair.

Mr. LOTT addressed the Chair.

The PRESIDING OFFICER. The majority leader.

Mr. LOTT. Before the two managers of the Department of Defense appropriations bill leave the Chamber, I want to say again today, as I did yesterday, how much I appreciate the outstanding work that they did. We have just seen an unbelievable accomplishment, for this bill to have been completed in 24 hours, with tremendous effort yesterday. They obviously are two of the very best managers we have in the Senate, and on behalf of the Senate I thank them for their good work and hope that their example will be followed on other appropriations bills and with the bill that we are about to begin consideration of.

## PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The PRESIDING OFFICER. Under the previous order, the Senate shall now proceed to the consideration of S. 1956, which the clerk will report.

The bill clerk read as follows:

A bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997.

The Senate proceeded to consider the bill.

Mr. LOTT. Mr. President, we are now ready to go to the reconciliation bill. The chairman of the Finance Committee, the Senator from Delaware, Mr. ROTH, is here, the chairman of the Budget Committee, Mr. DOMENICI, is here, and we have the ranking member, the Senator from Nebraska, Mr. EXON, here also. So we are ready to begin the debate.

I hope we can make progress and reach some agreement on limiting time. We need to complete this legislation by noon tomorrow. We have 20 hours of debate under the rules, plus amendments that could be voted on even after that 20 hours. So we have a lot of work to do between now and 12 o'clock tomorrow. But if we can continue to cooperate as we have been doing this week from both sides of the aisle, I am convinced we can do it, and that is what we should do. We have the distinguished ranking member of the Finance Committee here, the Senator from New York, Mr. MOYNIHAN, here.

I ask unanimous consent that the time between now and 1 p.m. be equally divided for opening statements only and that the majority leader be recognized at 1 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I yield the floor, Mr. President.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, first let me say to the distinguished majority leader, we will be working together with the Agriculture Committee and Finance Committee leadership, and we will try to live up to the Senator's desire that we finish this bill by noon tomorrow. I want to say, frankly, I do not see why we cannot.

When the majority leader gets the floor, I assume one of the early items of business will be to strike the Medicaid provision. That might be debated, but there is an hour limit even on that, and then the bill will be a welfare bill.

I think everybody should know that we have not seen very many amendments. Neither has the distinguished chairman of the Finance Committee. But this is a reconciliation bill, so it is not so easy to put an amendment together that meets the test of an amendment to a reconciliation bill. For those who have them, the sooner we can see them, the sooner we can analyze them from the standpoint of points of order, or we may be helpful in some respects. So that is how I see the ensuing time. I thank the majority leader very much.

Having said that, I want to publicly first thank the two distinguished chairmen, the chairman of the Finance Committee, Chairman ROTH, and the chairman of the Agriculture Committee, Chairman LUGAR, and the ranking members. These two chairmen and their committees have crafted the legislation that meets the spending requirements given in the 1997 resolution adopted earlier this spring. Both of these chairmen will be here during the consideration of this legislation and will help manage amendments that might be offered in their respective parts of the bill.

I also thank Senator EXON, ranking member of the Budget Committee, who voted with all the Republicans on the Budget Committee on Tuesday to report this bill from our committee to the Senate floor. I am fully cognizant of the qualification he attached. That was that in fact the Medicaid provisions were going to be stricken. I have, just once again, to the best of my ability indicated we are pursuing that. The Senate will have to vote nonetheless, and the Senate will make that determination. I assume it will be almost unanimous that we do that; perhaps not unanimous, but overwhelming.

Mr. EXON. If I may speak there for just moment?

Mr. DOMENICI. Certainly.

Mr. EXON. I thank my friend for his kind remarks. I think it is important we move this matter along. I would like to add my plea to those on this side and those on the other side as well, to please give us the amendments that you have in mind as early as possible, hopefully maybe before noon. If we can get a list of the serious amendments that are going to be offered, then we are going to be in a better position, not only to fashion this bill that may eventually receive a substantial number of votes if some amendments can be agreed to, but also expedite the process. So I pledge my cooperation to every extent I can to the chairman of my committee, the chairman of the Finance Committee, and the ranking Democrat on the Finance Committee. I think the four of us working together with our usual understanding and cooperation can move this matter along. That is my desire.

Mr. DOMENICI. I thank my colleague.

Finally, I want to thank our former colleague and former Republican leader of the Senate, Senator Dole, who tried not once, not even twice, but three times in this Congress to get welfare reform enacted. I believe his leadership will be felt even in his absence from the Chamber today, as this legislation moves forward and, hopefully, this time secures the signature of the President of the United States after these earlier vetoes by the President of the United States.

First, for those who may be watching this process, let me briefly explain what we are about to do today. After the President vetoed the Balanced Budget Act of 1995 last winter, and after the failure to find common ground on a plan to achieve balance in our budget, the process moved on and Congress again put together another budget blueprint that achieved balance in 2002. The blueprint, known as Concurrent Resolution on the Budget for Fiscal Year 1997, was adopted early in June. The budget resolution does not go to the President for his signature, but rather directs the action of the authorizing and spending committees on how to proceed for the remainder of the year to come into compliance with that budget blueprint and resolution. The budget blueprint also included instructions to 11 Senate committees to make changes in legislation in entitlement programs within their jurisdiction to cause fundamental reform of these programs, but also at the same time to slow the spending and achieve the deficit reduction envisioned in that budget plan.

Today we begin debate on the first of three reconciliation bills that were prescribed by that budget resolution. The reconciliation bills are very special because they have protections and procedures that the Budget Act established for their consideration. And because of the need to have them enacted to implement that budget blueprint, they receive some very special consideration and are immune from some of the rules, and some of the privileges

that Senators have are denied with reference to these kinds of bills.

This first one addresses two major areas of public concern, welfare and the escalating costs of Medicaid. The bill before us at this moment makes very needed and fundamental reforms to our welfare system, a system that has clearly failed not only the American public as taxpayers, but also the very individuals and families and children that the system was supposed to help. Obviously, much more will be said by distinguished Senators on both sides of the aisle as to how that will be done in this bill.

The bill before us also makes many needed changes in the escalating Medicaid Program, but obviously that will not be long before the Senate for, hopefully early this afternoon, since it is the wish of the majority and the leadership here, it will be stricken by will of the Senate.

Federal spending under this bill before us today will still increase for both Medicaid and welfare from nearly $270 to $350 billion. That might surprise some. If we were to enact both of them, both of those programs would increase over the next 6 years from $270 to $350 billion. But compared to what would happen without these reforms, the bill would save the American taxpayers $126 billion. We are not going to get all of that because the portion that would be forthcoming under Medicaid will be stricken, but I believe there would be $56 billion left—Senator ROTH?

Mr. ROTH. That is correct.

Mr. DOMENICI. As the savings over the projected costs of the welfare program in all of its ramifications as contained in this bill.

So, as we begin this debate, let me remind my colleagues that, because this is a privileged measure, a bill whose consideration is governed by rules established in the Budget Act, the amendments are limited both in time and scope. The total time on the bill under the statute is 20 hours. I would say right up front we, on this side, do not think we should use 20 hours. In fact, we do not believe we need much of our 10 hours allotted under this bill.

First-degree amendments get 2 hours, and second-degree amendments 1 hour, which is equally divided regardless of how much time is left on each side—an anomaly, but that is how it is. So if we had only an hour left and an amendment is forthcoming, we get half the time on the amendment. That is the way the timing is done on these amendments. We intend to move this along, but not to deny Members the opportunity to get their case before the Senate.

Also, I should remind everyone—and we will hear more about this as the debate unfolds—that amendments may not violate the Byrd rule, named for our distinguished colleague from West Virginia. This rule is very restrictive and is designed to maintain reconciliation bills as truly budget-focused bills. So I ask that Senators work with the leadership and Budget Committee staffs to determine if amendments violate the Byrd rule. If they violate the Byrd rule, you can offer them, nonetheless they would be subject to a point of order and that means you would have to get 60 votes of the U.S. Senate to pass them over the Byrd rule, which limits their adoption.

I should also say, the Budget Act does provide for the waiver or any point of order that might lie against a nongermane amendment, and that is a very, very heavy-handed test in this case, or an amendment that violates the Byrd rule. But that waiver requires 60 affirmative votes, as I have just indicated.

Shortly, I will discuss some of the substantive provisions, but I will not do that on this bill until the distinguished chairman and the ranking member on the Budget Committee have had a chance to talk about it. I am hopeful most of the substance can be handled by the committee chairmen. I will be here to help them move this along and to make sure we are as fair as possible with reference to the many procedural implications of a reconciliation bill.

I yield the floor.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, if I understand the unanimous-consent request, there is 1 hour equally divided between the two sides up to 1 o'clock; is that correct?

The PRESIDING OFFICER. Two hours ten minutes equally divided.

Mr. EXON. Mr. President, at this time, I yield myself 12 minutes of that time. Following my remarks, I yield the remaining time, up to the 1 o'clock time, to my friend and colleague from New York, the ranking member of the Finance Committee. We will be working jointly on the various amendments. I am grateful that both he and the chairman of the Finance Committee will be working jointly with us on this matter today.

Mr. President, as the Democratic leader on the Budget Committee, I come to the Senate floor today with some truly mixed emotions. I am most relieved that the Republican majority has decided that they will strike the Medicaid language from the reconciliation bill. It was with that understanding that I joined my colleague and chairman, Senator DOMENICI, in reporting out this bill to the floor.

Obviously, cooler heads in the Republican fever swamp prevailed. I trust this will be reflected in the vote. I salute my friend, the distinguished chairman of the Budget Committee, for his role. Might I suggest that Senator DOMENICI's good counsel had much to do with the decision to seek a more productive and less combative path. But I say somewhat wistfully that I wish his voice of reason had not been drowned out earlier in the budget process.

For all their fluster and bluster, the Republican majority will walk away from the 104th Congress with precious little deficit reduction to show for it. There is no bipartisan 7-year budget plan. Far from it. Republicans made a lot of noise about balancing the budget. In the end, the Democrats made a lot more sense.

At this time, I renew a plea that I have made oftentimes, and that is, in view of the fact that we have an economy today that is moving ahead progressively and well, with little or no inflation concerns, I simply hope in due time, maybe sometime in the next couple of weeks, the Federal Reserve Board will recognize the situation and maybe begin to ease at least slightly the interest rate problem which continues to bother many sectors of America, including the stock market.

I do not think our decisions should be directly made here on what happens in any certain phase of our economy. But the facts of the matter are, as I just alluded to the fact we have no 7-year balanced budget plan. We do not have that because the Republican majority and their leadership in the House and the Senate have refused to meet with the President to see if we cannot come up with a bipartisan compromise.

I have said time and time again, and I am not sure that Americans totally understand it—sometimes I wonder if the news media understands it from the reports I have been reading—that both sides have agreed basically to make the cuts that are necessary to balance the budget in 7 years. It can be done, it should be done, and I appeal, once again, now that the Republican leadership of the House and the Senate have come out of their cocoon, to recognize this is the time to strike. Let's get together. Let's let the Republican leadership in the House and the Senate take up the offer of the President of the United States to meet and come up with a 7-year balanced budget plan.

I know there is a great deal of haste right now, Mr. President, to get out of town, to leave things here because we want to go about campaigning. Certainly, I believe that there is nothing that could better serve the United States of America—the great two-party system that has served us, with all its warts, quite well over the years than if we can, before we leave here, have a balanced budget agreement. It is clearly within our grasp if we would just get on, put aside some of the egos and come to some kind of understanding. I make that plea once again.

Mr. President, I believe that the Republican majority had little choice but to yank the Medicaid portion of this bill out, as we and the President had suggested. One did not have to read the tea leaves to see that it was certainly headed for a veto without that change. It was a plan hatched by the far right that reneged on the promises of providing health coverage to low-income Americans and those most in need of it—the elderly, children, and the disabled. Many of the Governors could not

accept the plan because funding did not automatically adjust for changes in enrollment. I am glad that this unreasonable scheme has been laid to rest.

Now that the shackles of the Medicaid plan have been released, we have a good opportunity to work together and fashion a bipartisan welfare reform bill that will win not only the approval of the Congress but the signature of the President as well and I believe would have a good chance of receiving near universal support from the American people as well.

I compliment the majority for making some substantive and key changes in their previous welfare plan. For example, child care resources that were woefully lacking in their earlier efforts have been shored up, at least some. But the majority should know also that those of us on this side do not plan to spend the next 20 hours singing hosannas to their bill. We intend to offer amendments that we believe could significantly improve this bill and make it acceptable to a broad spectrum of Senators on both sides of the aisle.

I add, I would have preferred to deal with welfare reform outside of the reconciliation bill. Welfare reform is a policy issue, not a budgetary matter. In fact, there are no budgetary savings. I emphasize again, Mr. President, there are no budgetary savings from what most people believe as welfare. I, of course, reference aid to families with dependent children. The savings in this bill come from food stamps, child nutrition, denying SSI and food stamp benefits to most legal immigrants.

I hope in the future the majority will not feel the need to hide behind reconciliation skirts when every tough issue comes down the pike. I point out, too, that last year, we were able to come to a bipartisan agreement on welfare reform outside of the context of the budget reconciliation.

I emphasize once again, Mr. President, I think that while we are going to do this, making this part of the budget bill and the reconciliation process is not the way that this should have been handled. It should have been a free-standing bill. It should have come out of the Finance Committee which, I think, would have been the proper course of action. But, obviously, for many reasons that was not to be.

Mr. President, we have heard a great deal in this Congress about returning power to the States. Under the rubric of devolution, we have seen some thoughtful proposals, such as restrictions on unfunded mandates and others that are played bad, like the Medicaid plan.

But the clear signal we are getting from the townhall meetings and the State houses is the need for greater flexibility in dealing with these problems. I believe the Democrats answered that challenge in our updated ''Work First'' welfare plan that will shortly be offered as an amendment to this measure. It gives the States the flexibility to consolidate and streamline welfare operations yet protects children and saves $50 billion in the process.

As a former two-term Governor of Nebraska, I have more, Mr. President, than a passing acquaintance with the problems that are faced daily by the Nation's Governors. I have done my able best to help them where I could. I was an original cosponsor of the unfunded mandates bill. But as sympathetic as I may be to our Governors, we must ensure that welfare reform does not just meet their needs, their needs being the Governors. It must continue to meet the needs of the innocent children who have become pawns, unfortunately, in this debate.

In this regard, there are still areas of concern about the Republican package. I will not address all of them today. I am not wedded to any particular amendment, but I do want to touch upon a few concerns today that have a common thread. That common thread, that important thread, is kids in need. Children should not be an afterthought in welfare reform. Protecting children should be right up there with requiring able-bodied men and women to earn their keep.

The first issue in the voucher program is important. The Republican measure prohibits—prohibits, Mr. President—any assistance once a parent has been on the welfare rolls for a time limit to be determined by the individual States. This, Mr. President, could be anywhere from 60 days at a minimum to 5 years at the outside.

Under the Republican bill, no vouchers would be allowed for families reaching the time limits set by the individual States. They would be locked in to whatever State they were a resident of. In my book, this is draconian. We should not cut and run on our poor kids. Depriving a child of the bare necessities in life, such as food and clothing and shelter, serves no useful purpose. The Government is not punishing the parents; it is the children who would suffer. We should not visit the sins of the parents upon their children. I see no reason why we cannot design some sort of a voucher or noncash aid for these children. Under the Democratic work first plan, the States would provide a minimal safety net. That would be an enormous improvement to this bill.

My second criticism involves the inflexibility of the Republican plan during hard economic times. This bill cries out for more flexibility during recessions. Under the preferred Democratic proposal, children are entitled to assistance based on their household incomes, not whether the States have exhausted their funding due to increased needs during a recession or other uncontrollable events. This would be a reasonable and a desirable addition to the welfare reform package and something that I hope the Senate will accept.

My third concern, Mr. President, revolves around the food stamps and the optional block granting of the program. It is a good idea to encourage electronic benefit transfers and to reduce fraud and abuse in the Food Stamp Program as is called for in the Democrat work first plan. We should throw the book at violators, but I cannot say that I am as understanding about the Republicans' insistence on block granting food stamps.

It is evident to this Senator that States devote radically different levels of effort to our needy children. They do not treat them with the same level of compassion. By removing the Federal entitlement and block granting food stamps, we could knowingly exacerbate these differences. I am also concerned that block granting does not completely take into account the changes in the caseloads or regional economic trends.

Mr. President, many thoughtful observers have also suggested that the instigation of block granting would trigger a so-called race to the bottom. Let us understand that term. We are very much concerned that the way this is written now, it would almost guarantee a so-called race to the bottom among the States seeking to lower services to the poor so as not to attract more of them. Even worse, some States may reject the dwindling block grants and drop the whole burden on to the narrow shoulders of the counties and the local governments below them. We should not be abetting such a shirking of responsibility if it should happen.

Mr. President, there are, of course, many other issues, bones of contention, in this legislation that we will be addressing. Senators on both sides of the aisle will be talking about them and, undoubtedly, offering amendments. But I do believe that, with a few modifications, we could have a bill that sits well with both sides and with the American people. To pass their test, it will have to be a bipartisan effort that requires work while still protecting children. Those are the tricky waters that we still have to navigate over the next few hours. I trust that we will be successful.

Mr. President, I reserve the remainder of my time and yield it, as I have previously indicated, to the Senator from New York.

The PRESIDING OFFICER (Mr. GREGG). Who seeks recognition? Who yields time?

Mr. MOYNIHAN. Mr. President, I think, in the interest of symmetry and the fact of seniority and the overwhelming presence of the chairmanship, that the Senator from Delaware should speak now. In any event, I would like to hear him in the hopes that I might think of something to reflect upon.

The PRESIDING OFFICER. Is the Senator from Delaware seeking time?

Mr. ROTH. Mr. President, I yield myself such time as I may take.

Mr. President, this is the beginning of the end to the lengthy debate in the

104th Congress about the current welfare system. The issue of welfare reform has been frequently and passionately debated over these past months, and rightly so. The effects and consequences of the welfare system in some way touch us all.

Mr. President, it would be difficult to estimate exactly how many thousands of hours the Congress has devoted to this issue over the past months. The various committees in the Senate and the House of Representatives have taken testimony from Governors, Members of Congress advocating their own particular brand of reform, Cabinet officials, outside experts, advocacy groups, and so forth.

But of all of these, perhaps the clearest message for welfare reform I have found comes from a newspaper article about Sharon Stewart, a 33-year-old single mother who has been on welfare for nearly 12 years. In a Richmond Times-Dispatch article last month, Ms. Stewart was quoted as praising Virginia's new 2-year time limit on welfare benefits. She said, ''I feel like I can actually accomplish something again. This is something I'm doing and nobody else is just giving me a handout.''

With simple eloquence, Ms. Stewart told the Times-Dispatch, ''this program should have been in effect when I [first] went on AFDC. It means people''—it means people—''are going to be independent. At first they're real scared and kind of back off, but I believe it will help in the long run.''

In the same article, Tracy James, a mother of four children, also voiced her support for the time limit on benefits. She summed up the situation better than any of the experts when she stated, ''The old law was too easy. I settled for it. [Now] it's either get yourself together or you're just stuck.''

Eloise Anderson, the very distinguished director of the California Department of Social Services, recently responded to a reporter who asked whether time limits were a form of ''tough love.'' Miss Anderson responded, ''It's the real world.''

Mr. President, this is the fundamental philosophy upon which our welfare reform package is based. We will help families through the crisis which forced them into poverty. But that assistance is only temporary, and they must again help themselves.

Welfare reform will restore the dignity to families who want more than to ''just settle'' for what the welfare system will give them.

The current AFDC program, as it was designed in the 1930's, abandoned many families long ago as a statistic of long-term dependency in contemporary society. The current welfare system has failed the very families it was intended to serve. Look at the record. The record speaks for itself. Unfortunately, in 1965, something like 3.3 million children received AFDC benefits. In 1990, more than 7.7 million children received AFDC. This growth occurred even though the total number of children in the United States had declined—I underscore ''had declined''—by nearly 5 million between 1965 and 1990. In 1994, nearly 9.6 million children received AFDC. Last year, the U.S. Department of Health and Human Services estimated that 12 million would receive AFDC benefits within 10 years under the current welfare system.

I think it is clear that the present system has not worked. To the contrary, rather than giving a lifting hand and helping people back to work, back to the mainstream, we find the record is consistently an increase in the number of families, the number of children, caught in the web of welfare.

If the present system was working well for children, we would, frankly, not be here today. I do not think anyone wants to make a claim that the existing system is good for children.

While the present welfare system is full of excuses, the welfare reform legislation being presented to the American people today is a bold challenge. While the present system quietly accepts the dependency of more than 9 million children, our proposal speaks loudly to them and insists they, too, are among the heirs to the blessing of this great Nation.

The key to their success will not be found in Washington, but, frankly, in the timeless values of family and work.

Mr. President, 90 percent of the children on AFDC live without one of their parents. Only a fraction of welfare families are engaged in work. The current welfare system has cheated these children of what they need most.

The reason the States will succeed in welfare reform where Washington has failed is because State and local officials see the faces of their neighbors, while Washington only sees caseload numbers. The bureaucracy in Washington is too detached, too removed, too far out of touch to reform the welfare system.

The opponents of welfare reform believe the States lack either the compassion or the capacity or both to serve needy families. They are wrong.

We understand that there is not a singular approach to welfare reform. We believe if families, if children, are going to escape from the vicious cycle of dependency, they must be enabled to find their own way out. Welfare reform is not simple because human beings are complex.

The goal of welfare reform for all families is for all families to leave welfare. The path on how they get there is not necessarily a straight line. Nor, under our approach, must all families follow the same path.

In contrast, this is precisely why Washington will never be able to end welfare as we know it. The existing system is designed more for the convenience of the bureaucracy than for the needs of the individuals. Washington wants to put its one shoe on every foot. That simply does not work. In the tradition of scientific management, everything must be reduced to bureaucratic rules, procedures, and mathematical equations. This is why, if we are truly seeking the answer to end dependency, Washington is the wrong place to look.

The causes and cures of poverty involve some of the most intimate acts in human behavior. What many families on welfare need cannot be sent through the mail or reproduced in the Federal Register. There is no flaw in admitting we do not understand how or why individuals will respond to the various incentives and sanctions present in everyday life in modern society. The mistake is believing, especially after 30 years of evidence to the contrary, that Washington does know how to apply these incentives and sanctions to the lives of millions of people.

Under the present system, welfare dependency is allowed to become a permanent condition. This is one of the cruelest features of the welfare system because it saps the human spirit.

Welfare reform will help free families from the present welfare trap and save future generations from its affect. To do this, we must give the State and local governments all of the tools they need to change the existing welfare system. What works in Delaware may not work in Virginia or New York and the States that demonstrated that it is time to move beyond the waiver process.

One of the basic flaws in the existing system is, while State officials have the responsibility to administer these programs, they do not—I emphasize the word ''not''—have the authority they need to effectively run the program. That authority is dispensed by Washington one drop at a time, and this is no longer acceptable. Waivers are no substitute for an authentic welfare reform.

Since President Clinton vetoed welfare reform for a second time, we worked with the Nation's Governors to construct a comprehensive welfare reform package, which, of course, included Medicaid. And a compromise last February was supported by the most liberal Governor and the most conservative Governor and everyone in between. No one liked everything, but there was something for everyone. That is the essence of bipartisanship.

When this legislation was marked up in the Finance Committee, I included more than 50 Democratic amendments. Nearly half of all the Democratic amendments were incorporated into the legislation. Those changes still did not gain Democrat support in committee. And, of course, the administration still refused to compromise on Medicaid. So we are now separating Medicaid from the rest of the welfare package.

Let me say, Mr. President, although I am supporting and have supported the separation, it is a matter that I personally believe need not happen. The President, on several occasions, in addresses to the Governors, stated that many, many people on welfare would

not take themselves off the rolls because they were fearful that they would put their children at risk, that they would not be covered by Medicaid. I think there is great truth in that statement. But, for that reason, it seems to me critically important that we deal with welfare and Medicaid as a package. That is what the Senate Finance Committee did, and that is what we have before us. But, as I stated earlier, we will be separating Medicaid from the rest of the welfare package.

Mr. President, we have a bipartisan bill. There is no need to look any further than the measure before us. Frankly, this legislation will look very familiar to my colleagues, as it closely resembles H.R. 4, as it was passed by the Senate last September by a vote of 87 to 12. In other words, it is basically similar legislation which received broad bipartisan support when they voted for H.R. 4 last September. With regard to such issues as work requirements and time limits, this legislation is nearly identical to the Senate-passed bill.

Mr. President, it has been 41 months since President Clinton outlined his welfare reform goals to the American people. Welfare reform was not enacted in 1993 or in 1994. Welfare reform is not about claiming political credit. We need to enact welfare reform for families like those of Sharon Stewart, Tracy James, and their children. If we do nothing, more children will fall into the trap of dependency. That is a certainty of what the current system will bring.

Mr. President, I yield the floor.

(Mr. ASHCROFT assumed the chair.)

Mr. MOYNIHAN. Mr. President, I yield to myself whatever time I may require. I will express, once again, my admiration and gratitude for the tone of thoughtful inquiry which the chairman brings to these discussions. We will not agree today. We have not in a whole year in this regard, but we certainly are trying to lay out arguments and information as best we understand it. I think we know where we are going today, but it does not preclude us from one last effort. There is still hope. You may yet change your mind, but I do not think so today.

Mr. ROTH. Will the distinguished Senator yield?

Mr. MOYNIHAN. I am happy to do it.

Mr. ROTH. I want to say what an honor and privilege it has been to work on these matters with the distinguished Senator from New York. There is no one on either side of the aisle who brings greater knowledge, understanding, and depth than Senator MOYNIHAN. Now, frankly, sometimes his conclusions are wrong, but that is understandable, and that is what makes for the democratic process. But I do want to say that working with them, in an effort to bring a solution, to be compassionate, to take care of the needs of the many children who are without is our common goal. I know he seeks that with all his intelligence and being.

Mr. MOYNIHAN. Mr. President, as I rise today, I find myself thinking of the passage with which Hannah Arendt begins her classic work, ''The Origins of Totalitarianism.'' She speaks of the disasters of the First World War, and then the Second World War, and now the prospects of a third, final encounter between the two remaining world powers. She says, ''This moment of anticipation is like the calm that settles after all hopes have died.''

If I sound subdued today, I hope it will be taken in that light, rather than any diminished sense of the importance of what we are about to do, because we are all somehow subdued today. The Senate floor is all but empty. I see four Senators.

The lobbies are empty. There is no outcry against what we are doing. Two fine editorials appeared this morning in the Washington Post and the New York Times saying, ''Do not do this.'' But those are rare voices at this moment.

We learn in the press that the President is concerned that there be vouchers made available for diapers. This is commendable, but scarcely a suggestion that something fundamental is about to happen. What is about to happen is we are going to repeal title IV-A of the Social Security Act, the provision established in 1935 in the act, aid to families with dependent children.

This will be the first time in our history that we have repealed a core provision of the Social Security Act. Further, we are choosing to repeal the provision for children. It is as if we are going to live only for this moment, and let the future be lost.

I said that there were few voices. Actually, there is one unified voice: that of every national religious group and faith-based charity. But we seem unable or unwilling to listen. They all oppose ending the entitlement. Catholic Charities USA and the Catholic bishops, especially, the National Council of Churches, Bread for the World, have persisted in this matter. Other organizations, as I say, are once again silent. Having briefly aroused themselves, they have sunk back into apathy, or resignation—or agreement with what is about to be done. We will not know if we do not hear.

Yesterday, Members of Congress received a letter from Father Fred Kammer, president of Catholic Charities USA, who wrote:

> The welfare reform proposal before you reflects ignorance and prejudice far more than the experience of this Nation's poorest working and welfare families. This bill would end the basic guarantee of protection to our neediest families, and, in the words of Milwaukee's Archbishop, Rembert Weakland, OSB, nullify ''America's 60-year covenant with its poor children and those who nurture them.'' It would also punish children born to welfare parents, legal immigrants, and desperately hungry citizens.
>
> Welfare reform is acutely needed in this country, reform which is designed genuinely to move people who can do so from welfare to work. Today's proposals are largely a sham designed to appease the ignorant and to pander to our worst prejudices in an election year. There is little here to recommend to believers, for whom Jesus of Nazareth said, ''Whatever you do to the least of my sisters and brothers, you do to me.''

And then Father Kammer says:

> Please stop this so-called ''welfare reform'' now lest election and budget politics shred the fabric of this Nation's protections and supports for its most vulnerable families.
>
> Again in the words of Archbishop Weakland, ''This is not welfare reform, but welfare repeal.''
>
> The Nation, its historians, and its poorest families will little remember what you say here, but they will long remember what you do here.
>
> Sincerely, Fred Kammer, S.J. President, Catholic Charities USA.

This is an extraordinary statement by the president of one of the Nation's leading charities. But then he knows too well the profound impact this legislation will have on poverty and on children.

It is children we are talking about. I have been trying for most of this Congress to describe the consequences for children in ending support after 5 years. The average AFDC recipient will receive benefits for 13 years.

Ten months ago, as the distinguished chairman has observed, on September 19, 1995, the Senate passed a welfare bill providing just that. That bill, H.R. 4, as amended, was, as the chairman just said, nearly identical to the bill now before us. Again, to quote the chairman, ''It was basically similar legislation.'' At that time, we had no data before us to give us a sense of what we were doing. There were 11 Democrats who voted against that bill—11. I hope one day we might see their names listed in a place of honor.

A few weeks later I learned that there was, in fact, in the Department of Health and Human Services, as you would expect, an analysis of H.R. 4 that addressed itself to the poverty impact of the bill.

Then on October 24, at the first and only meeting of the House-Senate conference on the legislation, I put it this way. I said:

> Just how many millions of infants we will put to the sword is not yet clear. There is dickering to do. In April, the Department of Health and Human Services reported that when fully implemented, the time limits in the House bill would cut off benefits for 4,800,000 children. At that time, the Department simply assumed that the administration would oppose repeal. But the administration has since decided to support repeal. HHS has done a report on the impact of the Senate bill on children, but the White House will not release it. Those involved will take this disgrace to their graves.

During the following 2 days, the administration denied the existence of the HHS report. But then, on October 27, on the front page of the Los Angeles Times, there was an article by Elizabeth Shogren entitled, ''Welfare Report Clashes with Clinton, Senate.''

It began:

> A sweeping welfare reform plan approved by the Senate and embraced by President Clinton would push an estimated 1.1 million children into poverty and make conditions

worse for those already under the poverty line, according to a Clinton Administration analysis not released to the public.

A subsequent administration analysis of the conference report on H.R. 4, after the House and Senate provisions had been reconciled, estimated that it would plunge 1½ million children into poverty.

On December 22, 1996, when the conference report on that bill came back to the Senate, every Democrat save one voted ''no.''

Now, with these facts in front of them, Senators on our side—and not only on our side—voted almost unanimously against the bill.

I should point out that in some ways the bill before us, although basically identical to last year's legislation, as the chairman of the Finance Committee has said, is even worse in that it provides for very harsh measures against legal immigrants who are noncitizens. The Congressional Budget Office makes this point in its report on the measure. It says:

Chapter 4 would limit the eligibility of legal aliens for public assistance programs. It would explicitly make most immigrants ineligible for SSI and food stamp benefits. Savings would also materialize in other programs that are not mentioned by name.

This must be noted as a regression of genuine importance. In the beginning of this century, Western nations began the practice, and after a while, by treaty, international labor conventions, and such like, of extending social services available in a particular country to legal visitors or immigrants from another country. It was seen as a part of the comity of nations, part of the standard civilization which we had attained.

Now, sir, I had the opportunity to speak with our distinguished Secretary of Health and Human Services this morning, the Honorable Donna E. Shalala. She tells me that this bill will cut off some 200,000 legal immigrants currently receiving supplemental security income because of severe disabilities—cut them off. It will cut off women receiving services in battered women clinics, said Dr. Shalala. Things that civilized nations do not do, save perhaps when carried away, as Father Kammer said, by ignorance and prejudice.

Now to the present legislation. I recall the long and difficult effort to get the executive branch to follow its normal practice of providing a report on legislation saying this is what this legislation will do, this is why we support it or do not support it, or whatever.

Since May of this year, Representative SAM GIBBONS, ranking member of the Committee on Ways and Means, and I have been asking for a similar analysis of the poverty impact of the new Republican welfare bill. We asked for the poverty effects because they have a clarity for Members that perhaps more diffuse issues, such the operation of time limits. It is a usage with which we are familiar. Last winter, when Democratic Senators found out what the effects of H.R. 4 were, having voted for the bill, they turned around and voted against it. The President, having indicated he would support the bill, turned around and vetoed it.

So, since May of this year, Representative GIBBONS and I have been asking for a similar analysis of the effects of the new Republican welfare bill. Despite three separate written requests, no report has been forthcoming. But we did receive a letter on June 26 from Jacob L. Lew, the Acting Director of the Office of Management and Budget, in which he wrote:

As you recall, the administration's analysis of the conference report on H.R. 4 estimated that it would move 1.5 million children below the poverty line. Based on that analysis, it appears that improvements in the Roth/Archer bill would mean that somewhat fewer children would fall below the poverty line. But many of the factors that would move children below the poverty line remain the same in both bills.

So we have before us a bill that in the administration's own judgment would impoverish over 1 million children. But I remind you, Mr. President, we do not have an analysis, and we read in this Sunday's New York Times, by Robert Pear, an eminently respected reporter in this area, that the White House had given instructions to HHS that there was to be no report. I had not ever thought I would be standing on the Senate floor stating my understanding, that an administration has said we will not tell the Senate what it is doing. If we knew what it was doing, we would not do it. That is precisely what happened on our side of the aisle, and not just on our side of the aisle, between September and December of last year. If we knew what we were doing, we would not dare to do it, and therefore the information is being withheld.

I would say that Dr. June O'Neill, Director of the Congressional Budget Office, has been very forthcoming, but that is an institution within our ranks, as it were, and with which we have normal cooperation.

I talked about the problems of poverty, but I would like to make the point that this is not really the issue here.

Most children on AFDC are already poor. Those who are above the poverty line are part of that portion of the AFDC population which works part of the year, loses jobs, goes on welfare, goes back. Time limits would drop them completely below poverty because there would be no available income when they were not working.

Might I say we have an AFDC population that is made up of roughly three groups. One is a sizable number in which adult, mature families break up, and a mother finds herself with children and needs income for a relatively brief period. It is the equivalent of the mill closing and men out of work. Within 2 years' time, they are back on their own. They do not need any advice, they do not need any counseling. It is income insurance for them, and it works.

There is a second, middle group which cycles on and off: Works, finds the work does not work out—jobs are lost, plants close and that kind of thing—then they go back onto welfare. Work comes along, they go off. And it is back and forth.

Then there is another group. In overall terms, it is much the largest group. This group is on welfare for a very long, continuous time. Thirteen years is the average.

The essential problem with this legislation is that it imposes time limits without any real provision for the heroic efforts that are required to take people who have been on welfare for a long while, get them off and keep them off.

I have no problem with that proposition, that work is what we should seek, independence is what we should seek. Some years ago, I wrote a long book on this subject, which began: ''The issue of welfare is the issue of dependency. Whereas most people stand on their own two feet, dependent persons, as the buried image of the word implies, dependent people hang.''

This very week Time magazine chose, on its page called ''Notebook,'' to reproduce a cover of Time from July 28, 1967. It is called, 29 Years Ago in Time: DOGGED CONSISTENCY. There is a picture of the Senator from New York, and I am arguing the case—this is at a time when I was director of Joint Center for Urban Studies at MIT and at Harvard—that we have a crisis in our cities and it was getting worse.

I am quoted:

We are the only industrial democracy, he told a Senate subcommittee, that does not have a family allowance. And we are the only democracy whose streets are filled with rioters each summer. The biggest single experience anyone has is working.

No one argues that. But to put a time limit on, when you do not have provision for seeing that people have work, is to invite an urban crisis unlike anything we have known since the 1960's. It may be it will bring us to our senses. But it will be a crisis.

Here are the numbers. The Congressional Budget Office, in the cost estimate of the bill, said it would cut Federal welfare rolls by 30 to 40 percent by the year 2004. If we follow the estimates of the Senator from Delaware, and they are quite accurate, of course, by the year 2005, we will have over 10 million children on AFDC. Cut off 40 percent, and you have 4 million children dropped.

CBO estimates that, under the bill we are dealing with, we will cut off 3.5 million children by the year 2001. By the year 2001—5 years from now.

That would be an unprecedented experience, and its impact would be quite disproportionate in racial and ethnic terms. Two-thirds of those affected would be minorities: 49 percent black, 19 percent Hispanic.

I said in the Finance Committee, in March of this year, that to drop these

children from our Federal life-support system would be the most ''regressive and brutal act of social policy since Reconstruction.''

Think of what it means for our cities. Remember, not all these children will be 4 months old or 4 years old. Many will be 14 years old. In 5 years' time, you will not recognize Detroit, Los Angeles, New York. These are cities where a majority of births are out of wedlock. The average for our largest 50 cities is 48.0 percent.

What is going on is a profound social change which we do not understand, just as we could not comprehend the problem of unemployment in the first part of this century, and ended with the crisis of the world depression, which almost destroyed democracy. It was a very close thing. Now, we are putting the viability of our own social system at risk.

This year the National Center for Health Statistics reported that the nonmarital, out-of-wedlock ratio of births in the United States has now reached one-third, 32.6 percent. That was for 1994, so it is a third today. In Detroit, that number is 75.3 percent; in Los Angeles, it is 50.1 percent; in New York City, 52.3 percent; in Chicago, 56 percent; in New Orleans, 64 percent. I think Detroit and New Orleans are probably the highest. No society in history has ever encountered this problem. These numbers a half century ago were 4 percent. New York City, 4 percent half a century ago, 52 percent today; Manhattan, 54 percent.

Nobody understands. Something like this is going on in Britain, in Canada, in France, in Germany. We are undergoing an enormous social change which we do not understand. Although it does not happen at all in Japan. Ratios were 1 percent in 1940 and 1 percent today.

Yet, we are acting as if we do understand. The basic model of this problem in the minds of most legislators, and most persons in the administration, is that since we first had welfare and we then got illegitimacy, it must be that welfare caused illegitimacy. And they may be right. I do not know. But neither do they.

I have stood on this floor and argued for the Family Support Act, which one Senator after another invokes as a measure that works, getting people out of dependency, into jobs. It could continue to work. But not this sharp cutoff—bang, 2 years, you are off; 5 years, you are off forever. That invites the kind of calamity which it may be we are going to have to experience in order to come to our senses.

I said on the floor last September that we will have children sleeping on grates if this becomes law. I repeat that today. I hope I shall have been proved wrong. I hope.

We will have a chance to track it. In the Social Security Act Amendments of 1994, I was able to include a small, but significant, provision to try to get us some accumulation of information and then perhaps theoretical knowledge about this situation. We enacted the Welfare Indicators Act of 1994. It requires the Secretary of Health and Human Services to start producing an annual report based on the Economic Report of the President, which derives from the Employment Act of 1946.

We will have the first interim report due October 31 of this year. It takes a long time for these institutions, if I can use that word, to mature, but we will have documentation of what this legislation did. We will know, unless we are reduced to concealing the truth, which we are getting very close to in this debate. Administration officials saying, when asked for the report, ''There is no report''; when the report is published saying, ''Well, I guess there was a report''; then saying, ''No more reports.'' We are standing here on the Senate floor with no report from the administration. Shame.

One of the comments I have made throughout this debate, over the last year and a half, is that it has been conservative social analysts who have been most wary of what we are doing. They have consistently warned us that we do not know enough to do this. They have asked us to be conservatives and not take this radical step, putting at risk the lives of children in a way we have never done.

After we allowed a system to develop in which children are supported in this manner, to suddenly stop that support based on some very vague notion of human behavior—that if you are going to suffer awful consequences, you will change your behavior. We will be making cruelty to children an instrument of social policy. Lawrence Mead of NYU said you don't know enough to do this. Lawrence Mead, no liberal he; a career telling the liberals they were letting this situation get out of hand.

But 52 percent of the children born in the city of New York are to a single parent. John J. Dillulio, Jr., at Princeton saying, ''Conservatives should know better than to take such risks with the lives of children.''

And then George F. Will. George Will of unequaled authority as a commentator on the difficulty of social change and the care with which it is to be addressed. He wrote of the vote last September:

> As the welfare debate begins to boil, the place to begin is with an elemental fact: No child in America asked to be here. No child is going to be spiritually improved by being collateral damage in a bombardment of severities targeted at adults who may or may not deserve more severe treatment from the welfare state.

I end on that proposition. No child in America asked to be here. Why, then, are we determined to punish them?

Mr. President, I yield the floor.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator from New Mexico has approximately 36 minutes remaining.

Mr. DOMENICI. I yield 15 minutes to the Senator from Pennsylvania.

Mr. SANTORUM. Thank you, Mr. President. I thank the chairman.

## EXPRESSING CONDOLENCES TO PEOPLE OF MONTOURSVILLE, PA

Mr. SANTORUM. Mr. President, before I speak about the welfare bill, I just want to express my condolences to the people of Montoursville, PA. As many of you know, the crash of TWA Flight 800 included French students from that high school in Montoursville, along with five chaperones.

I talked with some people in Montoursville today. To say the people are shocked and overwhelmed does not quite, I think, relay the feelings that are going through that small town in north central Pennsylvania, near Williamsport, PA.

Senator SPECTER and I have pledged to do all we can to aid the people of that community in getting information that is necessary to begin the healing process, which is a very difficult one. We will do whatever we can to assist them in that process. Obviously, we will be vigilant in making sure the U.S. Government follows up and makes a thorough investigation of this and to the cause of this accident, hopefully accident.

## PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. SANTORUM. Mr. President, let me move on to the issue before us of welfare reform. It is never easy to follow the Senator from New York when talking about this issue, because there is no one on the Senate floor who knows more about this issue than the Senator from New York. But I was struck by one of the comments he made. I felt compelled to respond to that comment, when he made the comment that the bill before us invites calamity. I am quoting him. He used the term ''invites calamity.''

I found it odd that he used the term, that the bill before us invites calamity, right after a very eloquent and fact-filled dissertation on the calamity that has been created by this welfare system, that calamity of illegitimacy in our civilization.

He suggested there is no solution, at least we do not know the solution, and, therefore, we should not try anything. I assume that is the conclusion. Since we are not absolutely sure what causes illegitimacy, then we should not even attempt to bring it up since we do not have the answer.

I suggest that the Senator from New York should have been here in the 1960's when in fact we did not know the solution for poverty but we went ahead and tried the Great Society programs anyway. We went ahead not knowing

what the answers would be, and for the last 30 years, in my opinion, ignoring—ignoring—the results of the Great Society programs, the welfare component of the Great Society programs in particular.

So if we are going to talk about not knowing what the future holds with the bill before us, then let us talk about not knowing back in the 1960's what the welfare state that we created would do, and now refusing to change it, when we know it has created the calamity that the Senator from New York eloquently described. He only described, in my opinion, one element of that calamity.

Oh, it is a very serious one—illegitimacy. I suggest it may be the great social ill that can be the cancer within to destroy this civilization. So I think he does highlight a most important issue. It is one that we attempt to address in this bill, which I suggest we attempt to address in a very modest way. We have not gone out with a right wing extreme agenda, whatever that is, to deal with this issue.

We have taken steps like saying that people who are on welfare, if they want to have more children, they should not necessarily get more money for having more children out of wedlock. The States can enact a law under our bill to pay them money if they want. But the presumption is that if you are on AFDC and you are not married, and you are receiving benefits and you have additional children, you are not automatically going to get a pay raise.

The second thing we do is we look at mothers who have children out of wedlock and do not cooperate with the Government in telling us who the father is. One might suggest that that probably is not a very likely occurrence. The fact of the matter is, having visited many agencies in my State that deal with this problem, that is a very common occurrence for a variety of reasons.

The most common reason is because usually there is a relationship between mom and the boyfriend. Mom does not want to jeopardize that relationship by giving the boyfriend a legal responsibility for the child. The Government is willing to pay. Why rely on a tenuous relationship, sometimes, between the boyfriend and the mom, to track down someone who may not have regular work to provide for that, when you have a Government who is going to consistently provide for that child? You may even work out something that has been told to me on many occasions, where the Government provides, and under the table the real dad provides some money, too.

It works out best for everybody except for the fact that the child is without a father. That is a little glitch that somehow gets glossed over. Like it or not, in our society—I know some do not believe it—but I think fathers are important. I think we need mothers and fathers to raise children.

I happen to believe one of the big problems in our society of youth violence among young males is because we do not have fathers in the household. They do not have the example of a father to help guide them through the very difficult time of growing up.

Yes, we do some things that are untested. Sure, they are untested, granted. We do not know whether making mom cooperate with authorities, forcing the mother to give us the name of the father—sanction her if she does not—will in fact help. We do not know. But, my God, we should start trying.

We cannot turn our back and say, just because we do not know, we should not try. Donna Shalala says, Well, you know, there may be people who fall off welfare because they did not cooperate, and that is a tragedy for the children. What the tragedy for the children is is they have no father. That is a tragedy. We run around and we hide behind children. The liberals hide behind children, when it is the children who are hurt the worst by this system that does not care. It is not loving and compassionate. Passing out a check behind a bulletproof window in a welfare office is not compassion, is not how we solve problems in this society when it comes to the poor.

We give States a bonus if they reduce their illegitimacy rate. So we provide an economic incentive for States to begin to try things to help reduce the number of illegitimate children. And they cannot do it through abortion.

That is illegitimacy. That is only one of the calamities that we now have as a result of this system.

How many people believe that, in the last 30 years, as a result of the welfare state, the neighborhoods in which people on welfare reside are safer, that crime is less, that the values of the people who are on welfare in second and third generations are better than they were before? If you want to look into the eyes of those values, look into the eyes of the senseless and indiscriminate juvenile crime that we see in our society, the lack of values between right and wrong, the lack of respect for human life in our society.

Drugs. Are there less drugs? Are drugs less of a problem in these communities than they were 30 years ago? Is education better in these communities than it was 30 years ago? Is the family structure better than it was 30 years ago? Oh, what progress we have made, what a system we should defend. And, oh, we dare not try anything that is untested. I would agree with the Senator, maybe he is right, maybe we should not try anything that is untested, because the last time we tried something that was untested, we got a horrible result. But the problem is, we are stuck with that system right now. We must—we must—face that and change that.

Here is how we change it. As I said before, we deal with the issue of illegitimacy and in a modest way—I have to repeat that—in a very modest way.

Secondly, what we say is that we are going to require people who are able-bodied to work. I talked about the values in communities. One of the most important values that you can pass on to your children is a work ethic. You can pass it on by talking about it. But you parents know you can tell your children all sorts of things—I have three children; I tell them lots of things—but they are more interested in watching you and seeing what you do and following your example.

How many times do you catch your kids saying things that you say, and you say, ''Gosh, do I say that that much that they actually pick it up?'' I tell them not to say it, but they say it, so I guess I do, too. I do this, so they do it, too. Work is one of those things. The most important thing for economic success for children is to have a mom and a dad—or mom or dad—go to work every day. So we require work because we think that is a value that is important for people to exit poverty.

I am not interested in taking care of people on poverty as the solution to poverty. My solution to poverty is to get people out of poverty. That is how we should measure a successful system—not how many children we take care of—by how many families are no longer needed to be on the system. That, to me, is a successful poverty program, not going around looking and saying, ''Look at all the people we have on welfare and we are taking care of all these people now.'' I have not met very many people on welfare who tell me that life on welfare is a lot of fun or is what they desire for their life. Why should it be the goal of the Government to put people or to capture people in a system which they do not want to be in, and which the public resents paying for, because it is a dead end? That is not a solution.

Our goal is to get people to work and to self-sufficiency, to instill the values that make America great. So, yes, after 2 years we require work. For 2 years the State, through this bill, will have resources available for education, for training, for searching jobs. There are a lot of people who get on welfare, are job-ready, and there are some that cannot, they need their GED, to get some training, it takes time. Some people take more than 2 years.

The Senator from New York said we are going to put these rigid time limits on people of 2 years, and after 5 years no more benefits. The Senator from New York knows very well within this bill there is what is called a hardship exception. What the State can do is exempt 20 percent, 20 percent of the people in this program from the time limit. The time-limited program only applies to 50 percent of all the people in the program. That is not for 7 years. It starts out at 25 percent of the people.

I know it is a lot of numbers, but let me suggest there is lots of flexibility here for hard cases, for people who are really trying, and just cannot seem to find a job. We understand that happens. We understand it happens in a lot of urban areas and rural areas where unemployment is scarce. We provide an

exception, but it is an exception to the rule. Sometimes it is important to establish a rule, an expectation of what we desire out of everyone. Set the bar a little higher. Instead of just saying you are all incapable of providing for yourself, so we will provide for you.

I ask the Senator from New Mexico for 3 additional minutes.

Mr. DOMENICI. I yield 3 additional minutes to the Senator from Pennsylvania.

Mr. SANTORUM. It is important to set that standard. We set that standard. We do it with the understanding that we know not everybody can meet that standard. We give the States and the communities, and, I hope, and the Governors assure me, this is not going to be just one Federal bureaucratic program transferred to 50 State bureaucratic programs.

Frankly, I am not that much comforted, I am somewhat comforted, but not significantly comforted, to know that this is a Federal program run by Federal bureaucrats that now is going to be a State program run by State bureaucrats. State bureaucrats may be marginally better than Federal bureaucrats, but that is not enough. The Governors understand, at least the ones that are talking to me, that they need to go further. They need to get down into the local communities, into the nonprofit organizations, into the folks who really have compassion, because it is their neighbors and their friends they are providing for. Those are the organizations we have to empower through this bill, and give them the resources to solve the problems that are in their community. We believe this is a vehicle with the flexibility that is in this bill to make that happen.

I want to talk about just a couple of other things. No. 1, child care. It has been argued on this floor, and I think well argued on this floor by Members, frankly, on both sides of the aisle, that the key to making work work is child care. That there are millions of women out there who would like to go to work but because of the barrier for safe, affordable day care, they simply cannot do it. We provide $4 billion more in child care in this bill than under current law, and even more money than what the President is suggesting. Under this bill, work will work, and people will be able to succeed.

The other two things I will quickly go through, first is child support enforcement. There is uniform agreement on both sides to improve, toughen child support enforcement, including wage withholding, and is included in here, among other things. This gets back to, again, requiring fathers to take responsibility for their children. Again, setting the bar high, but, my goodness, we should have standards high for fathers when it comes to providing for their children.

Finally, the issue of noncitizens. The Senator from New York said no civilized society would cut off these benefits for noncitizens like we do in this bill. He is absolutely right. Do you know why? Because there is no civilized society that provides the benefits in the first place. We are the only society that gives benefits to people who are in this country who are not citizens of the country. What we are saying is we will provide benefits to refugees, to asylees, but to people who come in under sponsorship agreements, the sponsors, who signs that document will be the one who takes care of them, not the Federal Government.

Mr. DOMENICI. There is time left on both sides; could you tell us how much each side has?

The PRESIDING OFFICER. The side of the Senator from New Mexico has 17 minutes and 17 seconds and the other side has 7 minutes and 18 seconds.

Mr. DOMENICI. I have Senator FRIST here. Does the Senator from Florida want to speak during that time, during that 7 minutes?

Mr. GRAHAM. I have not had an opportunity to talk to the floor manager, Senator EXON, but I will request time to speak. If Senator FRIST is prepared to proceed, that is fine.

Mr. DOMENICI. I yield 6 minutes to Senator FRIST.

Mr. FRIST. Mr. President, it is with much disappointment that I rise today to mark the apparent, the apparent, demise of what was a carefully considered, carefully crafted, bipartisan agreement on Medicaid. Despite the historic agreement among the Nations 50 Governors, we are compelled by the President's veto threat to separate Medicaid reform from welfare reform.

Ultimately, comprehensive welfare reform must include health care and health care reform for the poor. The face of that woman with her child in her arms who is below the poverty level, who wants to go back to work, is just inextricably combined and connected to that welfare system. Our Medicaid plan, which was based on this Governors' bipartisan proposal, would have indeed preserved the safety net for women, children, our senior citizens, and for individuals with disabilities.

Mr. President, I stand here today also, along with my colleagues and before the American people, to assure them that we will continue to work for a strong, for a secure, and for a simplified Medicaid Program. After the election, when all of the partisan passions have subsided, we will find a way to work together and give relief to States burdened to the point today of bankruptcy by out-of-control skyrocketing Medicaid costs. For the sake of our children, for the sake of their families, we must find a way to put policy before politics.

Before coming to the U.S. Senate, I performed transplant surgery, and a third of my transplant patients received Medicaid. That gave me a perspective of those patients on Medicaid also on welfare. As chairman of the Tennessee State Task Force on Medicaid Reform, I grappled with those issues before coming to this body from a State perspective.

Medicaid today takes up nearly 6 percent of the total of all Federal spending. State by State, it is approximately 20 percent of all State spending. Unless we act, we can expect an over 150 percent increase in just 10 years. The increase in Medicaid spending from last year alone is more than we spent on mass transit, criminal investigations, pollution control and abatement, or the National Science Foundation.

Yes, Medicaid is bankrupting our State budgets and will ultimately drive the Federal budget into bankruptcy, unless something is done.

Now, nothing in the budget reconciliation plan reported to the Senate constitutes a cut in Medicaid. President Clinton and Republicans both attempt to reign in the excessive growth in spending and, at the same time, protect eligible populations.

The chart that I have beside me shows just how close we in Congress are with what the President has proposed. This chart depicts overall Medicaid spending growth over a period of time, comparing what has been spent from 1991 to 1996, a total of $463 billion, to what we have proposed, the U.S. Congress, from 1997 to 2002, the Republican budget proposal, to spend $731 billion, which is very close to what the President has proposed to spend from 1997 to the year 2002. The difference between the yellow bar, what the Republican proposal has put forth, and what the President has proposed is less than 2 percent. We are very, very close. But the difference is that the Republican plan was based on the National Governors' bipartisan proposal. It passed their assembly unanimously. It was designed to specifically protect all current law eligibles, and included an umbrella fund for emergencies as well. And to truly preserve this safety net, there is $56 billion more in this bill than was in last year's budget resolution.

The program will continue to grow. Nothing is going to be cut. It is going to continue to grow at a rate of about, on average, 6.2 percent a year, and that is more than twice the rate of inflation. And it will grow a total of 43 percent over the 5-year period from 1996 to the year 2002.

When I came to this body, the U.S. Senate, I came as a physician out of the private sector, as a citizen legislator, unfamiliar with the political machinery that can block this type of positive advance. At that juncture, I hoped to work with my colleagues, Republican and Democrat, to address these issues that will affect our future and the future of our children. We have made progress, and I am glad we have made progress. But I am disappointed that we cannot enact a combined Medicaid Program with welfare, facing the realities that, again, Medicaid is inextricably woven to our welfare program. That is something that is close to my heart. But we shall return next year to

move forward on this very important issue of preserving Medicaid and improving Medicaid for the future generations.

Thank you, Mr. President.

Mr. GRAHAM addressed the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. The Senator from Nebraska has yielded to me the remainder of time under his control.

The PRESIDING OFFICER. Seven minutes remain.

Mr. GRAHAM. Mr. President, I wish to speak to one section of this bill to which I will intend to offer an amendment, and that is the section that deals with the rights of legal aliens who are in the United States.

As my colleagues will recall, this is not a new issue. In fact, we have spent weeks on the Senate floor debating the question of what should be the eligibility of legal aliens for a variety of Federal benefits. This Senate, by an overwhelming vote, passed on May 2 an immigration control bill, which laid out with great specifics what would be the rights of legal aliens—Mr. President, I underscore the word ''legal''—to various Federal benefit programs. That legislation passed after extensive hearings and markups in the Judiciary Committee and exhaustive floor debate that lasted well over a week. Similar actions were taken in the House of Representatives, and now this legislation is before a conference committee.

While all of that has occurred, we now receive this welfare bill, which has a redundant, conflicting, and, I think, draconian set of provisions relative to the rights of the very same people who were the subject of our debate just a few weeks ago—legal aliens in the United States.

Mr. President, I am going to propose that we should strike this section from the bill and leave the question of what should be the eligibility rights of legal aliens to the process of resolution in the conference committee and our final action on the results of that conference committee. There are extreme differences between the provisions in the immigration bill that the Senate passed in May and what we are now being asked to consider in July. Let me just mention two of those principal differences.

The essential concept of eligibility in the immigration bill was the concept of ''deeming.'' Deeming is the responsibility of the sponsor who has made it possible for the legal alien who comes into the United States to have the sponsor's income added or deemed to be part of the income of the legal alien, in determining whether the legal alien is eligible for Federal needs-based programs.

This bill uses a different concept, and that is a concept of a prohibition of legal aliens for a variety of Federal benefit programs.

I might say, Mr. President, that much of the debate on the question of rights of legal aliens is a result of the report that was originally sanctioned by this Congress called ''U.S. Immigration Policy: Restoring Credibility,'' often referred to as the ''Barbara Jordan report,'' after our esteemed recently-passed colleague. In the report—the Jordan report—it states, ''The safety net provided by needs-tested programs should be available to those whom we have affirmatively accepted as legal immigrants into our communities.'' It points out that it is appropriate to look to the sponsor to be the primary caregiver for those they have sponsored into the United States. They endorse the concept of deeming. But they say that under circumstances where a sponsor is not available, the sponsor has died, the sponsor has suffered illness, or some other incapacitating condition that made them unable to meet their obligations, that immigrants should continue to be eligible. ''A policy that categorically denied legal immigrants access to such safety nets, based solely on alienage, would lead to a gross inequality between very similar individuals and undermine our immigration goals to reunite families and quickly integrate immigrants into American society.''

So that is one fundamental difference. This is a difference, Mr. President, which will have real impact on the lives of real residents of our country.

I ask unanimous consent to have printed in the RECORD the circumstances of Polyna Novak, a legal immigrant who has come to the United States as a refugee from persecution in the Soviet Union and how the difference in the immigration bill's use of deeming and this bill's use of an absolute bar would have an impact on her life.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Polyna Novak is a legal immigrant who came to the United States as a refugee from Russia 16 years ago (1980). She currently lives by herself in an apartment in Marina del ray, California. Her daughter Dina lives nearby and is her mother's full time care giver.

Polyna is 74 years old, has Alzheimer's disease and also has great difficulty walking. She speaks and reads basic English. She receives SSI and Medicaid.

In November, she tried to become a naturalized citizen under the 1993 rules exempting persons with cognitive disability from some of the testing requirements. The INS examiner refused to administer the oath, however, because of her cognitive impairment, claiming that she could not understand what she was doing.

Mrs. Novak is in a catch-22 situation-too disabled to naturalize, under this Welfare bill, she will lose her only source of Income, her SSI benefits. There is no deeming, it's simply an unfeeling, outright ban, with no consideration for tragic individual cases such as this one.

Mr. GRAHAM. Mr. President, in my State of Florida, we are now receiving thousands of refugees and people seeking asylum from countries such as Cuba, generally under agreements that have been reached between the United States Federal Government and foreign governments, and now the Federal Government is going to take the position that it washes its hands of the financial responsibilities that flow from that.

The second big difference is the impact on State and local governments. The bill that we passed would have had a cost transferred to State and local governments of approximately $5.6 billion over the next 7 years. This bill, if you would believe it, would have a cost transfer to State and local governments of up to $23 billion over the next 7 years.

I suggest, Mr. President, in respect to the work that this Senate has already done on the immigration bill and the efforts that are currently being made in conference to reconcile the House and the Senate versions, that it is inappropriate for us at this hour under these constrained parliamentary procedures to take up a provision that would fundamentally change the decisions that we have already made, increase the cost to State and local governments by potentially three times or more than in the legislation that we have already passed, and place literally hundreds of communities and tens of thousands of people in serious jeopardy by our ill-considered actions.

So at an appropriate time, Mr. President, I will ask, as will colleagues, including Senators MURRAY, SIMON, and FEINSTEIN, that those provisions that relate to the eligibility of legal aliens be deleted from this bill and rely upon the immigration bill to come to an appropriate policy resolution.

Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from today's Los Angeles Times on this subject, and other materials that relate to legal aliens.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Los Angeles Times, July 18, 1996]

PASSING THE BUCK ON WELFARE

Tucked into the Republicans' welfare reform package in Congress is a wrongheaded proposal to cut benefits and social services to most immigrants who are legally in the United States but who have not yet become citizens. Under the proposal, Washington, which is seeking ways to finance federal welfare reform, would shift billions of dollars in costs to states and counties. The provision should be rejected.

Sen. Bob Graham, a Florida Democrat, plans to offer an amendment to the bill to strike out restrictions on public benefits to legal immigrants. A host of eligibility issues ranging from student aid to Medicaid for legal immigrants already is part of a separate immigration bill now in conference committee. There is no logic in including those matters in a welfare bill. The two issues should be handled separately.

The welfare bill now proposes to help finance the costs of reform by cutting $23 billion over six years in benefits to legal immigrants, including children and the elderly. This would be an unfair and punitive move against legal immigrants who have played by the rules.

The bill would make most legal immigrants now in the country ineligible for Supplemental Security Income (SSI) and food

stamps. Future legal immigrants (except for refugees and asylum seekers) would be inteligible for most other federal means-tested benefits (including AFDC and non-emergency Medicaid services) during their first five years in the country.

The cutbacks would disproportionately hit California, Florida, New York and Texas, the states with the biggest immigrant populations. California alone could lose $10 billion, or about 40% of the proposed $23 billion in benefit reductions. Those ineligible for such benefits would have to turn elsewhere for aid. In Los Angeles County, for example, if all affected SSI recipients sought general assistance relief instead it would cost the county $236 million annually. The cost shifting could have potentially disastrous results for the already fiscally strapped county.

The immigration bill now under consideration already includes $5.6 billion in savings from tightening eligibility requirements for legal immigrants on a variety of federal programs, including Medicaid. The attempt to use welfare reform to slip through further curbs on public assistance to legal immigrants should be called what it is—a deplorable money grab by Washington that can only hurt California.

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JUNE 24, 1996.

Hon. BOB GRAHAM,
*U.S. Senate,*
*Washington, DC.*

DEAR SENATOR GRAHAM: As health care providers caring for millions of Americans in rural and urban areas, we are writing to express our concerns about provisions in the welfare reform legislation the Senate Finance Committee plans to mark up this week. The provisions at issue would completely bar legal immigrants from receiving any Medicaid coverage for five years, and would effectively deny Medicaid coverage to most legal immigrants for an additional five years.

These provisions will force hundreds of thousands of legal immigrants off of Medicaid, creating a new population of uninsured low income individuals at a time when the number of uninsured Americans is approaching 40 million. Furthermore, the loss of Medicaid coverage means that the amount of preventive care provided to legal immigrants will be drastically reduced, thereby exposing entire communities to communicable diseases while increasing the overall cost of providing necessary care. We urge the Committee to drop these provisions when it marks up the welfare legislation.

In particular, the bill would bar legal immigrants from eligibility for Medicaid (and other assistance programs) for five years. After five years, the legislation would require that the income and resources of a legal immigrant's sponsor and the sponsor's spouse be ''deemed'' to be the income of the legal immigrant when determining the immigrant's eligibility for Medicaid.

If a low income legal immigrant is barred from receiving, or deemed out of the Medicaid program, he or she may have no other means to pay for health care. Most low income immigrants cannot afford private health insurance. Many sponsors may be unable or unwilling to help finance the health care costs of the immigrants they sponsor. Yet, because of the five-year ban and the deeming requirements, legal immigrants will be ineligible for Medicaid, although they will still need care. This is a cost shift from the federal government to state and local entities and providers of care. And this cost shift will disproportionately fall on providers in states with large numbers of legal immigrants—states such as California, Texas, Florida, New York, New Jersey, Massachusetts, and Illinois.

We understand provisions dealing with benefits in the welfare bill are based upon the recommendations of the United States Commission on Immigration Reform, a bipartisan commission appointed by Congress in 1990 to study and make recommendations on national immigration policy. But the Commission opposes any broad, categorical denial of public benefits to legal immigrants such as the pending welfare bill's five-year ban to Medicaid eligibility. In its recommendations to Congress, it firmly states that ''the Commission rejects proposals to categorically deny eligibility for public benefits on the basis of alienage.'' It expressly stated that ''special consideration should be given to the issue of medical care.'' Specifically, the Commission's recommendation was very clear:

''The safety net provided by needs-tested programs should be available to those whom we have affirmatively accepted as legal immigrants in our communities . . . circumstances may arise after an immigrant's entry that create a pressing need for public help—unexpected illness, injuries sustained due to a serious accident. . . . Under such circumstances, legal immigrants should be eligible for public benefits if they meet other eligibility criteria. We are not prepared to remove the safety net from under individuals who, we hope, will become full members of our polity.''

We recognize the importance of regulating legal and illegal immigration into the United States. But it must be accomplished through means that will not pull the health care safety net from under legal immigrants, create a public health threat, or impair the ability of health care providers to provide essential services to their communities. Therefore, we urge the Finance Committee to honor the Commission's recommendations and exempt Medicaid from the five year eligibility bar and deeming requirements.

Sincerely,

American Hospital Association, American Osteopathic Healthcare Association, American Rehabilitation Association, Association of American Medical Colleges, California Association of Public Hospitals and Health Systems, California Healthcare Association, Catholic Health Association of the U.S., Federation of American Health Systems, Greater New York Hospital Association, InterHealth, National Association of Children's Hospitals, National Association of Public Hospitals and Health Systems, Premier, Inc., Private Essential Access Community Hospitals, Texas Association of Public and Non-Profit Hospitals, Texas Hospital Association, VHA Inc.

Mr. DOMENICI. Mr. President, how much time do we have?

The PRESIDING OFFICER. Ten minutes.

Mr. DOMENICI. Mr. President, I yield 6 minutes of that to the Senator from Missouri. Might I yield myself 1 minute before I yield to him?

Mr. President, I thank Senator FRIST for his comments on the floor, and I add one thought to it. Frankly, I, too, have a real concern about not doing anything this year about Medicaid. But I think the die is cast. However, it seems to me that the next episode that is going to push us to do something significant is not something that leadership should feel very proud of because I think we are going to be pushed by States that cannot afford to pay for the programs.

We have all been talking about what is happening to the beneficiaries; how we are going to modify the program, make it more efficient, and what about the delivery system? But there has been very little talk about the fact that many States cannot afford the Medicaid Program.

I note in my own State that there was a major story. People are confused when you talk about Medicaid not having enough money because they almost always believe that is us, the Fed's. But in my State the story was our State has not appropriated enough money for its share. We happen to be one of those States where only 25 percent is our burden; 75 is the Federal burden. We cannot even afford to pay for the program in its current form, and we are concerned about whether the Federal Government ought to reform it so that it becomes more efficient. We are the ones getting accused, with reference to fixing that, of being neglectful of some parts of our population.

The truth of the matter is education at home is suffering. Pretty soon they cannot pay for education because the States do not have enough money if they have to pay for Medicaid and programs of that sort.

So I think the Senator's suggestion that perhaps it would have been good if we would have challenged the President and others and proceeded with that Medicaid provision was a good one. Our job will get done soon, I am sure, thanks to people like the occupant of the chair.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. I thank the Chair. I commend the Senators from Mexico and Tennessee each for mentioning this important component of reform which is literally pressing and demands that the system will require it. We must undertake those reforms immediately.

I am struck by the fact that our debate is not a debate about restructuring a government program. Our debate is about rescuing our culture from a tragedy, a tragedy the dimensions of which have been eloquently outlined and defined by speaker after speaker on this floor. The Senator from New York eloquently and tragically defined the problem. He said that 75 percent of some of the births in some cities in this country are births to incomplete families.

The welfare system, which has been designed or hoped for as a way of helping people, has become a way of ensnaring people. A net can be something that saves you from a fall. It can be something in which you are caught. I believe we have a system where we have seen that the welfare system is one where people are caught. It is not where people are saved.

When he rather dramatically ended his speaking earlier, the Senator from New York talked about the children. What about the children? I think we

have to ask the question. What about the children? What about the one-third of all children in this country who are born to incomplete families without fathers in the home? What happens to those children?

I was reminded about one child whose story I read. Her name was Ariel Hill. She was one of five children of a welfare family that lived in an apartment beyond description in Chicago public housing. The parents were 22-year-old, drug-using high school dropouts. They did not have jobs. The mother had her first child as a teenager, obviously. She was one of five children. The father grew up on welfare. The source of the income to the family was the $900 per month in public aid checks.

What tragically impressed me was after she died at the hands of her mother, the investigators came in to look around the apartment to see what they could find. They went into the apartment and found a paper listing the welfare dollars that each child had brought into the family.

We are literally living with a system which has taught people to value children for the kind of incomes those children could attract to the family through the welfare system.

This is not something that recommends our future. It is not something upon which we should build. It is something which we must change.

The Senator from Pennsylvania made it very clear and eloquently argued that we may not know everything about what we want to do and we maybe cannot be assured that it will work completely. But we do know one thing with a certainty. That is that the current system of welfare is a tragedy. It has entrapped individuals. It has seen the skyrocketing rate of individuals born into homes without families. It has found more and more people in circumstances of dependence.

The War on Poverty, started years ago, addressed the situation where fewer children were in poverty then than are in poverty now. It seems to me that we must take action to change the status quo. We are dealing with a tragedy. If every time we say, ''Well, we cannot reform welfare, we are not sure that what will happen will be a perfect solution,'' we are allowing the potential for perfection to paralyze us. And to say that we will not act at all, it is pretty clear to me with individuals who have begun to make careers—and not only careers for one individual but careers for individuals generation after generation in families—of a system which has ensnared them and not saved them, that we have the wrong kind of net here and that we have to restructure it. We have to provide some of the very tough motivations for people who lead this system to be involved in the ladder of opportunity rather than the net of ensnarement.

I believe that is what welfare has to be. It has to be a transitional system.

So I think it is time for us to limit the amount of time that people can be on welfare. It is time for us to provide disincentives to bear children out of wedlock. It is time for us to provide powerful incentives for people to go to work. It is time for us to say that, if you are on welfare, you should be off drugs. It is time for us to say that, if you are on welfare, your children should be in school. It is time for us to say that, if you are on welfare, your children should have the immunizations that are available to them free of charge. You have to be responsible for what you are doing. We are not going to continue to support you in a way in which you abdicate, you simply run from, you hide from, your responsibility as a citizen.

As we look at where we are, we see a system the carnage of which is written in the lives of children. It is written in the lives of adults who have been ensnared by a net which was designed to arrest their fall.

But instead of being a net of saving, it tends to be a net of trapping, a net of ensnarement, and it is time for us to make this system one of transition. It is time for welfare to be a ladder of opportunity, and I believe the measure that is before us today gives us the opportunity to make that the truth for the American people. They are asking us to reform the welfare system. It is time to get about the business and get it done.

I thank the Chair.

The PRESIDING OFFICER. The Senator's time has expired.

All time has expired.

Mr. DOMENICI. I suggest the absence of a quorum.

The PRESIDING OFFICER. The absence of a quorum has been suggested. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered. The majority leader is recognized.

POINT OF ORDER

Mr. LOTT. Mr. President, the net effect of provisions reported by the Finance Committee is that the committee fails to achieve its reconciliation instruction for the year 2002. The Medicaid supplemental umbrella fund increases outlays in the year 2002. Pursuant to section 313(b)(1)(B) of the Budget Act, I raise a point of order against Section 1511 of the Social Security Act as added by section 2923 of the reconciliation bill from page 772, line 13, through page 785, line 22.

The PRESIDING OFFICER. The point of order is well taken, and the provisions are stricken from the bill.

AMENDMENT NO. 4894

Mr. LOTT. Mr. President, I move to strike all of subtitle B, Restructuring Medicaid, from title II of the reconciliation bill from page 663, line 9, through page 1027, line 20.

The PRESIDING OFFICER. The clerk will report.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. I believe there are Democratic Senators who would like to speak on this measure. I do not know their names.

The PRESIDING OFFICER. The clerk will report the amendment.

The bill clerk read as follows:

The Senator from Mississippi [Mr. LOTT] proposes an amendment numbered 4894.

The amendment is as follows:

On page 663, strike line 9, through page 1027, line 20.

Mr. LOTT. Parliamentary inquiry, Mr. President. I believe that this would be debatable for up to 1 hour?

The PRESIDING OFFICER. The debate will be 2 hours.

Mr. LOTT. Two hours equally divided. So if the distinguished Senator from New York has Senators who wish to speak, they would have that opportunity.

I would like to be recognized just briefly, Mr. President.

The PRESIDING OFFICER. The Senator is recognized.

Mr. LOTT. Mr. President, I personally feel very strongly that we should act on the need to improve and reform Medicaid.

I had hoped we could get that done this year. I think that we could have a better program, and I think that we could control the rate of growth in such a way that it would help us move toward fiscal responsibility and a balanced budget, but a number of considerations have come into play.

The Senate and the House majority are very much committed to genuine reform of welfare, requiring work, also giving flexibility to States as to how this program is administered, also trying to move toward a situation where welfare is not a way of life but there is an opportunity for people in this country to get off welfare, get the necessary training and education that will allow them to get into a full-time job.

Unfortunately, in view of the opposition and threat of a veto from the President if we had these two combined, we felt it was the best thing to do at this time to move forward with welfare. We are committed to getting that done. We are committed to getting it through the Senate today or tomorrow and then going to conference as soon as possible and completing action on this very important legislation before we go out for the August recess.

There are a lot of factors that have come into play here, and I know we will hear more about it from the distinguished chairman of the Budget Committee and the chairman of the Finance Committee, but I just wanted to make those brief remarks. I think all things considered, this is the right thing to do at this time, and I hope the Senate will act quickly on it and move on to further consideration of the welfare reform package.

I yield the floor.

Mr. DOMENICI. Mr. President, before the majority leader leaves, we have

heard from the Democratic side that they want a vote on this. I wonder, while the leader is still here, if we could get the yeas and nays.

Mr. MOYNIHAN. If the Senator will give me just 3 minutes.

Mr. DOMENICI. He will come back with an answer.

I yield the floor. I thank the leader.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware [Mr. ROTH], is recognized.

Mr. ROTH. I yield myself such time as I might take.

Mr. President, I rise in support of the leader's motion to separate Medicaid from this welfare reform legislation. Leo Tolstoy once said that ''Life and the ideal are hard to reconcile. To try to make them follow the same path is a life's work.''

I have to say that this observation has taken on new meaning for me as we have worked diligently to craft welfare reform in a way that is workable and meaningful.

In the case of welfare reform, the ideal, of course, is a proposal that breaks the back of dependency, a proposal that reverses the perverse incentives in the current program, and empowers men, women and families to find security through work. The ideal program returns authority to state and local governments—allowing them to unleash their creativity, to be innovative, effective and, of course, compassionate. This is where the people live; it is where their needs are best met; it is where they are seen as individuals rather than as statistics.

Likewise, Mr. President, the ideal welfare reform program contains real and necessary reforms to Medicaid. In the past, President Clinton has expressed why Medicaid reform is necessary for real welfare reform. The Nation's Governors, liberal and conservative, have been eloquent and persuasive as to why: Medicaid is quickly overtaking education to be the number one expense in State budgets. Medicaid as it is currently administered leads families to impoverishment, as they find it necessary to qualify in an ''all-or-nothing'' way. Federal Medicaid spending will be over $827 billion in the next 5 years, Mr. President, challenging our Treasury, our taxpayer resources, as well as America's economic well-being.

The ideal would be to have Medicaid reform attached to welfare reform. I have made no secret of this. In trying to keep Medicaid a part of this proposal, we have compromised time and again to give the President a bill he could sign. In fact, the President himself proposed to cut Medicaid by $59 billion. In our proposal to reform Medicaid, we came within 2 percent of this number—2 percent—the difference of about two dimes a day per beneficiary. And in our compromise we continued to increase spending in the Medicaid Program—increase it faster than Social Security. But, unfortunately, despite all this, President Clinton maintains that Medicaid reform is a ''poison pill.'' Many of the President's allies in Congress support him. In their arguments, they suggested that they could support welfare reform, and the President would sign welfare reform, if the two were decoupled.

We have separated, or are in the process of separating Medicaid reform from this legislation. Welfare reform is so important to the American people that they are willing to accept compromise. Like Tolstoy, they understand that ''life and the ideal are hard to reconcile.'' While it may take a life's work to achieve the ideal, it will certainly take the best efforts of this Senate to eventually return to Medicaid reform when the time comes. We cannot leave undone something so important and declare complete victory.

Medicaid, in my opinion, must be addressed, if not now, later. Anyone who looks at the spending trends, anyone who looks at how this one program is threatening the States, anyone who sees how it leads families to choices, behaviors that are counterproductive to their well-being and long-term success can understand that Medicaid must be changed. It must be improved. It must be administered in a way that allows States to be more flexible, more creative, and more effective in helping families.

For the time, we must move forward. This is what the American people want. We must pass this welfare reform legislation, a bill that takes a very important first step toward meeting the needs of those most vulnerable among us, a bill that returns common sense to the welfare system, a bill that gives greater flexibility to the Federal and State governments to help people help themselves. The time is right for this legislation. At another time, we will revisit Medicaid, but for the moment we must move on.

Mr. President, it is no secret that I firmly believe that it is vitally important that both welfare and Medicaid reform should go together. I believe there are compelling reasons for Medicaid reform. The Governors, Democratic and Republican alike, have been strong advocates of including Medicaid with welfare reform. President Clinton himself for more than 3 years has talking about Medicaid's role in removing the incentives to families to stay in poverty.

More than 3 years ago, President Clinton told the Nation's Governors that, ''* * * many people stay on welfare not because of the checks * * * they do it solely because they do not want to put their children at risk of losing health care or because they do not have the money to pay for child care * * *. This is precisely the purpose of the legislation we introduced in May, S. 1795. That is why we have worked for months with the Nation's Governors to keep welfare and Medicaid reform together. Let me spell out some of the reasons why they belong together.

It is important for the American people to understand that the difference between our proposal and the President's plan for Medicaid is not about spending money.

There is now little difference between this plan and the President's own plan in terms of Federal spending levels on Medicaid.

Secretary Shalala appeared before the Finance Committee last month and knowledged the President proposed to cut Medicaid by $59 billion.

Under our plan, the Federal commitment to Medicaid remains intact. Even while slowing the rate of growth Medicaid spending would still rise faster than Social Security under our plan.

The Federal Government will spend an estimated $827.1 billion between 1996 and 2002 on Medicaid, an average annual increase of approximately 6 percent.

We have met the President half-way in terms of Medicaid savings.

The difference between us is less than 2 percent of the total Federal cost of Medicaid.

That is difference of about two dimes a day per beneficiary.

The American people should fully understand that the critical difference between President Clinton and this legislation is not about the level of spending. The difference between us is who controls the spending. The fundamental issue is whether or not the Governors and State legislators and judges can do a better job in running the $2.4 trillion welfare system than the bureaucracy in Washington.

The essence of the administration's opposition to Medicaid reform is that the States cannot be trusted. The Clinton plan is built on the premise that Washington must control the decision-making.

It is unfortunate that the potential achievements which would have been brought from including Medicaid in welfare reform are not better known. Too many people listened to unfounded accusations that the Governors and State legislatures cannot wait to abandon the children in their State. That is pure nonsense. If a family stays on welfare, that family will get both a welfare check and Medicaid. Under this reform proposal, the States have greater incentives to expand Medicaid coverage and help prevent families from being forced onto the welfare rolls in the first place. Reform is a critical component of getting those now on welfare off of cash assistance.

The Governors also understand that under current law, Medicaid is an all or nothing proposition. The current system contains built-in incentives for families to impoverish themselves in order to qualify for Medicaid.

The Governors also understand that under today's all or nothing scheme, a lot of low-income working families get nothing. As if to add insult to injury, many low-income families are paying for the benefits a welfare family is getting while their own children go without coverage.

Medicaid is an important program for our elderly citizens in terms of long-term care coverage. But the current system is far from perfect in serving our senior citizens.

The current system forces elderly citizens into poverty even before any benefits can be provided.

Our senior citizens often do not receive the most appropriate services because the current system, run under rules dictated by the Federal Government, is not flexible enough. What is good for the bureaucracy is not necessarily good for the individual. Our legislation would have given the States greater flexibility to redesign benefits so that our senior citizens could be better saved.

But instead of reform, the Clinton administration chose to scare the elderly and hide behind children. The very idea that the current system must remain in place in order to protect our vulnerable citizens from their Governors and State legislators is not only insulting. It is wrong.

More than half of the money being spent on Medicaid is there solely because the States have chosen to provide optional benefits and extend optional coverage to a greater number of people.

The administration scared people with a convoluted argument that our legislation ''lacks a Federal guarantee'' as if only the Federal Government is entirely responsible for anything good in the Medicaid program. This argument is completely hollow. As Secretary Shalala acknowledged to the Finance Committee earlier this month, the States could take nearly $70 billion today, more than half the spending in the program, out of the current Medicaid system without needing her approval.

We did not create the linkage between welfare and Medicaid.

That was done more than 30 years ago when Medicaid was created.

Our legislation guarantees coverage and benefits for poor children, children in foster care, pregnant women, senior citizens, persons with disabilities, and families on welfare.

If anything, our legislation goes beyond the Governors' resolution in terms of setting guarantees. In committee, we extended those Medicaid guarantees even further to phase in coverage of children ages 13 to 18.

We also extended coverage to families leaving welfare. The modification also requires States to provide health coverage under the Medicaid Program for 1 year to families leaving welfare to go into the work force.

This goal of Medicaid reform also goes directly to issue of a balanced budget, another major issue of concern to the American people. Simply put, the Federal budget cannot be balanced without Medicaid reform. It is the third largest domestic program in the Federal budget. It costs more than AFDC, food stamps, and SSI combined.

Medicaid reform is also critical to balancing State budgets and priorities. One out of every $5 spent by the States goes to Medicaid. The National Association of State Budget Officers reports that Medicaid surpassed higher education as the second largest program in 1990.

If nothing changes, Medicaid spending may soon overtake elementary and secondary education spending as well.

To those taxpayers who are wondering why there is not more money for schools, to repair roads, and build bridges, a large part of the answer is the uncontrolled spending of Medicaid.

Our Medicaid legislation would have returned power and flexibility to the States, while retaining guarantee of a safety net for the most vulnerable populations. It would have helped replace a failed welfare system in which dependence is measured in generations and illegitimacy is the norm, with a system that encourages work and helps keep families together.

But in the past few weeks, it has become clear that the President cannot stand the heat of a compromise on Medicaid.

For the record, let me point out that President Clinton vetoed a welfare reform last January, H.R. 4, which did not include Medicaid.

In doing so, he also vetoed a bill which provided more support, including child care, for welfare families than his own legislation does.

H.R. 4 did not include Medicaid. But it did include the sweeping child support enforcement reform for which millions of American families are waiting. This legislation, again included in S. 1795, goes light years beyond anything the President could ever accomplish solely through administrative actions.

In the meantime, thousands of children have remained in poverty or under the threat of poverty for at least another 6 months because they have not received the cash assistance and medical insurance of their absent parent as a result of President Clinton's vetoes.

My Democratic colleagues on the Finance Committee vowed that unless we agreed to drop Medicaid, welfare reform would be lost. To his great credit, the Republican nominee for President, our former colleague and majority leader, Bob Dole, also encouraged us to not allow this dissent to keep us from achieving welfare reform.

Senator Dole understands that the children and families in poverty should not be forced to wait any longer for welfare reform.

In that spirit, we have again agreed to compromise. I support the leader's motion to strike Medicaid.

Having now removed this stumbling block, it is my hope that the administration will not erect new barriers to welfare reform at the 11th hour. The children and families who need this legislation should not have to wait any longer.

The PRESIDING OFFICER (Mr. CAMPBELL). The Senator from New York [Mr. MOYNIHAN].

Mr. MOYNIHAN. Mr. President, there will be no objection on this side of the aisle to the proposal to strike that will now be made. But may I point out that after a not inconsiderable debate, the Committee on Finance, following the lead of its distinguished chairman, voted 17 to 3 not to strike this measure. But other considerations have appeared.

Mr. ROTH. If the distinguished Senator will yield, I would just point out that that vote reflects the ideal.

Mr. MOYNIHAN. The ideal—we are doing nothing but realities today. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Mexico [Mr. DOMENICI].

Mr. DOMENICI. Mr. President, I understand we could adopt this right now.

Mr. MOYNIHAN. Yes.

Mr. DOMENICI. I think we have to do a couple of things in order to do that. I understand there is no objection to adopting this by voice vote?

Mr. MOYNIHAN. None.

Mr. DOMENICI. Is that correct?

Mr. MOYNIHAN. If people want to speak, they better show up. There is no Senator on this floor wishing to speak on this matter. I have not been informed of any. I have been told that there might be, but there comes a time when that will no longer do.

Mr. DOMENICI. I think we can accommodate them in case they drop along and want to talk. If you will give me just 1 minute —I understand we would have to yield back time—let me make this unanimous consent request first.

Mr. MOYNIHAN. Certainly.

UNANIMOUS CONSENT AGREEMENT

Mr. DOMENICI. Mr. President, I ask unanimous consent the pending Lott amendment be deemed agreed to, the motion to reconsider be laid upon the table, the time between now and 2 p.m. be equally divided, and that at 2 p.m. the Democratic leader be recognized to offer an amendment.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, we have no objection, at least to this amendment. But does the distinguished chairman of the Budget Committee not want to proceed to the matter of striking the Medicaid provision?

Mr. DOMENICI. That is what this does: ''The pending Lott amendment be deemed agreed to.''

Mr. MOYNIHAN. The Lott amendment was not to the Byrd but to the strike?

Mr. DOMENICI. The Lott amendment is to strike Medicaid.

The PRESIDING OFFICER. The Senator is correct.

Mr. MOYNIHAN. Mr. President, I think, lest I reveal further ignorance in regard to this measure, I had best be silent.

The PRESIDING OFFICER. Is there further debate?

Mr. DOMENICI. Have you ruled?

The PRESIDING OFFICER. Is there objection? The Senator from Delaware.

Mr. ROTH. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered. The amendment is agreed to.

The amendment (No. 4894) was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. Who yields time? The time is under control of the Senator from Delaware or the Senator from New York.

Mr. MOYNIHAN. Mr. President, we have approximately 45 minutes. I would like to divide that to 27½ minutes to the Senator from Louisiana, or anyone he should recognize.

The PRESIDING OFFICER. The Senator from Louisiana [Mr. BREAUX] is recognized.

Mr. BREAUX. Mr. President, I yield myself 10 minutes.

Mr. DOMENICI. Mr. President, I wonder if I might at this point—how much time would Senator GRASSLEY like?

Mr. GRASSLEY. I would like to have 10 minutes.

Mr. DOMENICI. I yield 10 minutes to Senator GRASSLEY on our side. I assume we should return to your side since we had just spoken. He will be recognized after you have completed yours.

I ask unanimous consent that 10 minutes of our time be reserved for Senator GRASSLEY and he follow the first Democratic speaker.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Louisiana [Mr. BREAUX] is recognized.

Mr. BREAUX. Mr. President, let me start off by saying I support the effort of the Senator from New Mexico and chairman of the Finance Committee to separate this welfare reform legislation from the Medicaid reform effort that has been worked on by the Members of this body. I say that for just very pragmatic reasons. We need to reform Medicaid. We need to reform welfare. But if we have an agreement on one, do not mess it up with another item we do not have an agreement on.

This body is not in agreement on what to do with regard to Medicaid. I think we are close to reaching an agreement on how to reform the welfare programs in this country, so let us proceed together, hopefully, to try to come up with a welfare reform bill that makes sense, that both sides of the aisle can support, and, hopefully, one that the President will be able to sign.

So, I support the effort to separate the two, and, of course, now that is exactly what has occurred. We are now going to be dealing with welfare reform this afternoon and hopefully finish it up in a timely fashion.

I think the people of this country—I know the people of Louisiana—certainly know welfare in this country today does not serve well the people who are on it, nor does it serve very well the people who are paying for it. It is clear the American people, particularly those outside of Washington, are saying to the Congress that we want realistic welfare. We want a welfare reform bill that emphasizes work, a real welfare reform bill that is more about getting a job and less about just getting a check. They want a welfare reform bill that is fair, that emphasizes work, that has time limits, but a welfare reform bill that is also good for children.

As President Clinton has always said, he wants to reform welfare as we know it. He wants to be tough on work but good for kids. I have said you can say the same thing and come to the same conclusion saying that welfare reform is really about putting work first, but it is also about making sure we do not put children last. I think, in a bipartisan fashion, we should be able to come together and reach those separate but, I think, mutually agreeable goals.

While Congress has not been able for over a year now to come to an agreement on welfare reform, the administration has really not waited for us. If you look at what the administration has done, working with the States, you will see they have really left the Congress behind, because we have not been able to agree. President Clinton and his administration team has really been working with the States. They have now approved 67 welfare reform plans in 40 different States. Welfare reform is occurring, and it is occurring without Congress.

It is time that Congress get on the wagon, get on the ball and write a national program so we do not have to have 67 separate welfare reform programs in 40 different States, many with different types of standards and different emphases on what should be done. We should come together and write a national welfare reform bill.

It is important the Federal Government be involved. In my own State of Louisiana, the State puts up 28 percent of the money, approximately. The Federal Government puts up 78 percent. Should not the Federal Government be involved in welfare reform? If we are raising 78 percent of the money that is going to the people of my State, of course, we should be. It is not a question of who does it, it is a question of making sure everybody does it. It is not a question of whether it is run in Washington or whether it is run by the States, it should be run in partnership between the States and the Federal Government, giving the States the maximum amount of flexibility, but also having some national standards because national funds are being contributed to the welfare reform program in all of the various States.

So, Mr. President, I think we ought to all agree reform is needed. We ought to agree we can come up with something the President can sign. We, on this side, will be offering what we now call a ''Work First'' welfare reform bill. It meets the principles of what people in this country want.

No. 1, they want it to have time limits. Welfare should not be forever. It should be about getting a job. It should have time limits that are real and realistic. The amendment that we will be offering says that at most, people will be able to be on welfare for a total of 5 years in their lifetime. Then we give the States authority to make it less if they think it is right for their State. We give the State the flexibility to do that.

Our bill requires work. It is an absolute unconditional requirement that people on welfare move into the work force. There is no more unconditional assistance. The goal of welfare reform, under our proposal, would be to get people into the private sector and get them a real job. Instead of just getting a check for not working, get them a job and then the check will be for working.

Our bill says the States should have the maximum amount of flexibility. What is good in my State of Louisiana may not work in New York or in any other State in the country, and vice versa. So our legislation gives the States maximum amount of flexibility. What does that mean? It means the States set the benefit level for the people in that State. They will decide how to get people off welfare into a job. It is a State decision. The State will set the sanctions, or the penalties, if you will, for those who refuse to go to work. We give the States the flexibility that they need.

I think that, however, in many instances, our bills are very similar. The Senate Finance Committee, under the leadership of Senator ROTH, has moved in a major way toward a middle ground, a middle proposal. He is to be congratulated for that. It is an indication of good faith on his part in working with some of us on our side of the aisle to produce a better bill.

What we have to do is to make sure that our goal is to put work first but without putting children last. That is a very important standard for us to meet. We should be as tough as we possibly can be on parents, because they have a responsibility and are old enough to understand what that responsibility should be. But there are a lot of innocent children involved who did not ask to be born and are here because of perhaps, in some cases, the fault of their parents, but they are here not because they want to be here necessarily. They are innocent victims of welfare problems in this country. Therefore, it is very important that we make sure that we protect children while we are as tough as we possibly can be and should be with regard to parents.

I also point out that our legislation is going to make sure parents who are on welfare or AFDC assistance are eligible for health care in this country. I cannot imagine anybody standing up and saying, ''I'm tough on families, but I want to knock them off health care.'' The bill this Congress passed before, by an 87 to 12 margin, guaranteed AFDC recipients would continue to receive Medicaid. This bill does not do that. It is a major change. It says if you knock

them off AFDC assistance there is no guarantee they will get health care. I think that is wrong. We are going to have a bipartisan amendment to correct that. This body should adopt that.

I also want to point out that in trying to make sure we protect children, we ought to take into consideration what happens if we are being tough on parents and we say that you are off after 2 years, no more assistance, you should be working, what are we going to tell a 2-year-old child of that parent? Are we going to tell them they are not going to have any more help? Are we going to tell the 2-year-old they should go out and find a job?

These are the innocent victims who I think we should work together to try and help. Be as tough as we can on parents, but let's make sure that the innocent child, in many cases almost a baby, is protected.

I have an amendment that I will be offering to the bill that says we should have vouchers for children. After the family has been take off of AFDC assistance, do not just throw the child out into the street. Our amendment is going to provide for noncash vouchers for innocent children of families who have had welfare terminated.

I heard the distinguished Senator from New York talking about providing diapers for children. If anybody ever had small children, diapers for children happen to be a pretty important thing in raising a child in a healthy environment. Yes, they could use the noncash assistance for diapers, but they could also use it for clothes, they could use it for school supplies, they could use it for medicine, they could use it for food so that a 2-year-old baby does not go hungry because they have a parent who is not responsible.

Again, the emphasis should be as being as tough as we possibly can be on the parent, but let's not in this body in this prosperous country say we are not going to take care of the innocent child. So our vouchers for children will say just that.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BREAUX. How much time remains?

The PRESIDING OFFICER. The Senator's time has expired. There remains 17 minutes 23 seconds.

Mr. BREAUX. I yield myself an additional 5 minutes.

Mr. President, the point of the vouchers for children is to say to States, ''Look, if you want to have a 5-year cutoff of an AFDC recipient, you can do that now and you ought to have authority to provide vouchers for kids after that 5-year period, if you cut off a family or a recipient sooner than 5 years, say maybe 2 years.''

In my State, we will do exactly that, which has been approved, a 2-year time limit. But when a State does that, we have a responsibility to say that you should be required to provide at least noncash vouchers out of the money you are getting for the innocent children.

We are giving the State the absolute maximum amount of flexibility on designing that program. The States will be able to decide just about everything with regard to how that voucher is going to be handled and how it is going to be awarded.

My own State has the highest percentage of children in poverty in the Nation. Mr. President, 34.5 percent of all the children in my State are in poverty. I think we on the Federal level have an obligation to say that they should be taken care of after the parent is told that there will no longer be any cash assistance to that parent.

We are not talking about any additional spending by the State or any additional money by the State, we are talking about the money the State is going to get under this new block grant. The Federal money and State money can be combined to provide these vouchers for children, which I think are very, very important. We are talking about giving the State the absolute maximum degree of flexibility on designing how this program would work. The State would assess the needs of the child. They would set how much that child will be able to get and in what form it would be able to be given. They would set the amount. They would set the type of assistance, but I just do not think that we, as a Nation, can walk away from children who are innocent victims of circumstances that they have absolutely no control over.

The Food Stamp Program is going to be addressed. We need to make sure, from a Federal level, that it is a responsibility, as it always has been, to design a Food Stamp Program that provides certain guarantees in terms of economic downturns by the various States.

I think it is incredibly important that the Chafee-Breaux amendment, dealing with the Medicaid guarantee, will be addressed in a positive fashion. If we can do something positively on the vouchers for children, I think we can come together on a true, real welfare reform bill that this President will be happy to sign.

We have to decide whether we want a political issue or whether we want a real bill. There are some Democrats in Congress who say, ''We do not want any bill; we'll do anything we can to stop it, because it is not to our liking 100 percent.''

I think there are some on the Republican side who also want to send the bill to the President as bad as they can make it to make sure he vetoes it and then blame him for vetoing it. There is a growing number in the Senate that wants to work together and come up with something that is doable.

So I summarize my points as let us be as tough as we can on the parents, let us have time limits, and let us have work requirements, and let us give a maximum degree of flexibility to the States to do what they want, but at the same time let us make sure we protect the children who are the innocent victims in this entire exercise.

PRIVILEGE OF THE FLOOR

Mr. BREAUX. Mr. President, I ask unanimous consent that Kristen Testa on my staff, a fellow in my office, be granted floor privileges for the duration of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. I reserve the balance of my time.

The PRESIDING OFFICER. Under the previous agreement, the Senator from Iowa has 10 minutes.

Mr. GRASSLEY. Mr. President, as a member of the Senate Finance Committee that has worked so hard to put these bills on the floor of the Senate, I am very proud, for a third time, to be part of an effort, another effort, I might say, to pass comprehensive welfare reform.

We have passed welfare reform on two separate occasions. The President has vetoed the bill on both of those occasions. So we obviously wonder whether or not he wants an issue or whether he wants welfare reform. Does he want a bill or an issue? He said in the election of 1992 that he wanted to end welfare as we know it.

For sure, the bills that we passed previously ended welfare as we know it. One bill, part of the 1995 Balanced Budget Act, the first Balanced Budget Act Congress would pass in a generation, did welfare reform, saving $58 billion, compared to the $53 billion that this bill saves.

So maybe the President vetoed that because there was something else in that very big Balanced Budget Act that he did not like. Then we took the welfare reform language out of that, and on December 18 passed that, and in early January he vetoed it. So we wonder just exactly what kind of welfare reform the President wants that would satisfy his and our desire to end welfare as we know it.

Until just last weekend, it looked like he would veto the bill that we are talking about today. In his Saturday radio address, however, he said that the Republican Congress was finally—remember that—finally sending him a welfare bill he could sign. That sounds pretty certain, right? But it is not so certain, because he has said similar things in the past concerning the Senate-passed bill and the Governors' proposals. We do not get a definitive answer—even on this bill—do not get a definitive answer of whether he would sign it even after he talked so positively on the radio Saturday. So only time will tell if he will actually sign this bill.

The President seems to be able to have it two ways. Through the TV media and the radio media, he sends a very clear message to the public that he is promoting welfare reform and he is ready to sign something. But then, when you actually try to pin his people down, whether he will sign a certain bill, we do not get the answer. So, to the mass of the public, they hear that we have a President leading on welfare

reform. But the truth is that in the Halls of Congress, there is a dragging of feet of whether or not his people will say, yes, he will sign it.

We passed a previous welfare reform bill by a high bipartisan margin of 87 to 12. Like that, this bill that we have before us now creates a block grant to the States to draft their own welfare reform proposals. This eliminates the need to come, hat in hand, on bended knee to the Federal Government under current waiver provisions.

The President has been touted as signing 67—I do not dispute that—for 40 different States. But still you find an environment today where States have to come on hands and knees to beg for permission to make some change in their welfare system so they can put people to work and save the taxpayers money.

So what is different about this approach is that it is finally welfare reform and not just waiver reform. People that do not want to give up the power of Washington to determine everything, their proposals tend to be more waiver reform, not welfare reform. Welfare reform, in the strictest sense of the word, trusts States.

Wisconsin is an example. The President, wanting to beat Senator Dole to the punch when he knew Senator Dole was going to espouse Wisconsin-type welfare reform, the President said that what Wisconsin is doing is what we should be doing. And under existing law, Wisconsin comes, hat in hand, to the Federal Government begging for a waiver. Now, 60 days later they still do not have their waiver. Yet, the President said, flatly, that we ought to be doing what Wisconsin is doing. Within a few minutes after that comment that day he was asked, would he sign it, if Congress passed what Wisconsin did, and he would not say that he would. We still do not know. For sure, if he likes the Wisconsin approach, why has he not granted Wisconsin's waiver?

The importance of this change from waivers to welfare reform or mere waiver reform, which would be nothing compared to welfare reform, is we give power to the States for a very good reason. We passed so-called welfare reform in 1988. It passed this body 96 to 1. It was supposed to save the taxpayers money. It was supposed to move people from welfare to work. What do we see 8 years later? Three million-plus more people on welfare, we have not saved the taxpayers money, and we are not moving people from welfare to work.

In the meantime, we have seen States, like Wisconsin, that even the President said is doing something right—Michigan, Iowa, and a lot of other States, we have actually seen them, regardless of the fact that they have had to come to Washington to get permission to do what they wanted to do—we are seeing States succeeding where Washington has failed. That is why we have great confidence in what we do, of suggesting welfare reform, welfare to be turned over to the States to administer.

My own State of Iowa overwhelmingly passed legislation in April 1993 to change welfare in our State. In order to implement that plan, the State had to seek 18 initial Federal waivers, and more since. Although the State wanted to implement a statewide plan, they were required to have a control group of between 5 and 10 percent who would remain under the old AFDC policies in order to obtain even this initial waiver.

In October 1993, the policies that affected work incentives and family stability were implemented. At that time, there were over 36,000 families receiving assistance in my State with an average monthly benefit of over $373. I just received the latest figures from my State. That caseload of 36,000 is down 12.6 percent to just under 32,000. The average monthly benefit is down 11.7 percent to $330.

In January 1994, the State implemented its personal responsibility contracts, in which each family on welfare commits to pursue independence, and the State commits to provide certain supports to move that family from welfare to work. Before the State implemented welfare reform, only 18 percent of the welfare families in my State on cash assistance had some earned income.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. GRASSLEY. Mr. President, I have permission from Senator DOMENICI, the floor manager of the bill, to yield myself more time. I yield myself 10 more minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GRASSLEY. Now, under this new plan people are working. The most recent numbers show that the 18-percent figure has gone to over 33 percent of all cash-assisted families in Iowa now having earned income, the highest percentage of any State in the Nation. Now, some have attributed this dramatic increase to a strong economy and low unemployment rate in my State. However, in this control group that we had to have to satisfy the Washington bureaucrats at HHS, only 19 percent of the people in the old program have earned income. That is only 1 percentage point above what it was for a long period of time before reform in Iowa. So it shows that it takes policies and it takes reform, not just a strong economy, to bring about changes of behavior. My State's success demonstrates that giving States freedom and discretion to create their own programs will be best for the constituents we serve. This bill does that. I firmly believe that State leaders are as compassionate and as concerned for those in need as we are here at the Federal level.

By passing welfare reform that gives more authority to the States, we are putting the best interests of our constituents first. Not only that, but by enacting good welfare policy we are also saving the taxpayers some of their hard-earned money. In this package, we save $53 billion over the next 6 years. Much of this savings comes from making noncitizens ineligible for most Federal assistance programs. Even with these savings, spending on major means-tested programs will actually grow 4.3 percent from $99.3 billion in fiscal year 1996 to $127 billion in the year 2002. This is a measured approach to reforming our welfare system. I am pleased to support it.

There is a concern that a reduction in funds will hurt low—income families. Once again, Iowa serves as an example of what can happen when States are given more freedom to create their own programs. When my State implemented welfare reform in October 1993, the monthly payout for the State was $13.6 million. In June of this year, the monthly payout was down to $10.5 million, a reduction of almost 23 percent. Because of these savings, the State has been able to put more money into job training and into child care for both those on public assistance and those who are low-income working Iowans. This is as it should be.

My State and other States are demonstrating their commitment to serve the needs of their respective constituents. Producing savings to better serve Iowans is simply a benefit of good policy changes.

It is incumbent upon this Congress to try again, then, as we are, to pass welfare reform that fulfills our promise. In this act we are fulfilling our commitment to change welfare as we know it. We are fulfilling our commitment to require work for welfare. We are fulfilling our commitment to have time-limited assistance.

We do not know what the President will do. But just because the President has trouble keeping his promise does not mean we should have trouble keeping our promise, as Members of the U.S. Senate, to deliver on our promise of ending welfare as we know it. We are fulfilling our commitments. He will have to reconsider his commitment.

I am also supportive, as we have just done, of the striking of the Medicaid provisions. I do not like to do that. Striking Medicaid from this bill, no doubt, means any Medicaid reform is dead for this Congress. That is too bad because Medicaid definitely needs reform. Medicaid is spending too much money. The rate of increase it is spending under current law is too rapid to sustain. It is also too encumbered with Federal rules and requirements.

I remind my colleagues that just 12 months ago Senator PACKWOOD, as then chairman of the Senate Finance Committee, was on the floor. He held up a stack of documents just from the State of Oregon—new regulations that had been issued just within the previous 6 months, new regulations for the State Medicaid Program. That is how complicated and irresponsibly administered this program is. Too much control in Washington, not enough faith.

Mr. DOMENICI. Will the Senator yield?

Mr. GRASSLEY. I yield.

Mr. DOMENICI. Senator, I want to yield to Senator GREGG when you are finished. Can I do that now?

Mr. GRASSLEY. Yes.

Mr. DOMENICI. I ask the remainder of time on our side, once Senator GRASSLEY is finished, be yielded to Senator GREGG. Then we will have completed time on this side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa is recognized.

Mr. GRASSLEY. So this Medicaid proposal we had before the Senate would have ended some of that complicated bureaucratic overregulation that has come from the last 30 years under the existing program.

There is nothing new with this proposal. We have been back and forth over this ground. This bill would have changed a lot of that. What disappoint me most, in the Senate Finance Committee's deliberation on Medicaid, we tried in every way possible to satisfy the Democratic members of our committee. Senator ROTH accepted over 50 amendments, many of them retaining Federal protections that the other side wanted, even some Republicans wanted. It seems to me Senator ROTH went a long way toward addressing the major concerns that the minority had and maybe even the President had on the Medicaid portions of the bill.

Despite this, not a single Finance Committee Democrat voted for the bill.

I understand that some of the Republican Governors are not happy with the changes the Finance Committee made to the bill. When we started down this road of Medicaid reform, the idea was that the States would be able to live with less Federal assistance if they had sufficient discretion to organize their programs as they see fit. The bill filed by the Finance Committee does not provide the discretion which most of the Governors were saying earlier this year that they wanted.

Perhaps, for that reason, some of the Governors are willing to see Medicaid and welfare separated. I don't know.

In any case, even with the Democratic amendments accepted by the Finance Committee, the Governors would have had substantially greater discretion than they have now over important aspects of their savings if this legislation were enacted. And we would have moved a step closer to a balanced budget by getting greater control over the Medicaid spending which has been growing in recent years at an unsustainable rate.

But the minority in the Finance Committee voted against the bill. And the President has said again that he would veto it.

So, our leadership has yielded to the inevitable. If there is a silver lining here, it is that we will have a chance to get real welfare reform, assuming that the President is at last willing to sign a welfare reform bill.

The PRESIDING OFFICER. Senator GREGG has 4 minutes and 32 seconds, the remaining time.

Mr. GREGG. I thank the Senator from New Mexico for his courtesy in yielding me this time. I wish to rise to echo much of what has been said here but also hopefully to expand upon it in an effective way. The issue which is being brought forth here is the fundamental issue that we have to address as a Governor. It is the issue of how to control our entitlement accounts.

I serve on the Appropriations Committee. I have the pleasure to chair the Commerce, State, and Justice Subcommittee. I am constantly petitioned by individuals coming to me who represent very legitimate organizations, asking that they receive funding at last year's level of expenditure, or maybe even a slight increase, maybe an inflationary increase in their accounts. I have to say to them, ''I am sorry, we are going to have to reduce this account,'' or in some cases we have to eliminate spending in that account because we do not have the money available.

Why do we not have the money available? Primarily because of the fact we have not been able to control entitlement spending here in our body. Therefore, all the effort to control spending in this body falls on the discretionary side. Entitlement spending, as my colleagues know, is made up of five major items: Social Security, Medicare, Medicaid, AFDC, and earned-income tax credit. There are also the farm programs and a variety of other mandatory programs. In fact, I think there are 400 of them.

This Congress, in the balanced budget bill which we sent to the President, addressed the primary drivers of our spending problem on the entitlement side. We addressed Medicaid, we addressed Medicare, we addressed welfare, we addressed AFDC, we addressed the farm program. We did not take up the Social Security issue because that had been moved off the table. Regrettably, the balanced budget proposal which was passed by this Congress was vetoed by the President.

So we have now proceeded to take up these items one at a time. There was a legitimate effort and a very good effort made in the farm area. It did not go as far as I would like on issues like sugar and peanuts, but it did make significant strides.

However, there remains the core issues of the health care accounts, Social Security, and welfare. So today we take up one more leg of the school of entitlement spending which must be addressed and shored up, if it is to be stable, and that is the welfare issue.

I regret, however—and I want to talk about this—that we have not addressed, also, the Medicaid accounts. It is very hard, logically, to separate these two because Medicaid is the health care benefit for people who are essentially on welfare. To separate them is to do something which, from a matter of substantive policy, makes little sense. It may make sense politically, because the administration and the other side of the aisle refuse to address Medicaid. More important, it makes no sense from a standpoint of how it affects our day-to-day life in this Congress in the area of controlling the Federal budget, because Medicaid is a much more significant problem than welfare in the area of spending. In fact, Medicaid spending, over the last 5 years, was $464 billion. But if we do nothing about it over the next 5 years, it will be projected to be $802 billion. That is a 73—percent increase in spending on those accounts.

Now, at that rate of increase, we would soon see—it is projected—that by the year 2010, all the revenues of the Federal Government would be absorbed in order to pay for the costs of the entitlement programs: Medicaid, Medicare, Social Security, welfare benefits, and interest on the Federal debt. We would have no money available to do discretionary activities, such as defense spending, roads, environment, or education.

So this Congress needs to address all those different entitlement accounts. Yet, it has decided not to address the Medicaid accounts—not because this side is not willing; this side is willing to do that. We proposed a bill which addressed it that was vetoed by the President. We reported out of the committee another bill which would have addressed it. The other side of the aisle is not amenable to this.

Therefore, our failure to address the Medicaid account is, in my opinion, a fundamental failure to do the job that is required of us as Members of this Congress, because it is a failure to address what is one of the core issues that is driving the deficit of this country and driving the fact that this Nation is headed toward fiscal bankruptcy in the next century, unless we take control back of these entitlement accounts.

I, therefore, am one who feels that we should have joined the efforts. We should have brought welfare and Medicaid to the floor together, and we should pass them together. But the decision has been made to pursue this welfare reform package.

I simply want to say that, even though it does not include Medicaid as a package, it is a step in the right direction. Although it still has more strings attached than there need to be, it is a package which returns to the States pretty much authority over the management of the welfare accounts in this country. That is the essence of our effort, to take a program that has been an entitlement, directed at the Federal level, and turn it back to the States as a discretionary program, and basically allow the States to manage it in a way that is much more efficient and effective.

In New Hampshire, the dollars that come back to the States without strings will be spent much more effectively than those that come back with strings. It will be able to take care of more people for fewer dollars than is

presently occurring under the system as it functions today.

I, therefore, strongly support the welfare part of this reconciliation bill. I regret that we are not taking up what I consider to be one of the other core elements that is driving our fiscal problems in this country—the Medicaid issue. I hope that as we move into this election cycle, however, we will not ignore those issues that are critical in getting this fiscal house in order, such as Medicaid, Medicare, and the Social Security issue, as we move forward.

The PRESIDING OFFICER. The Senator's time has expired. The minority leader or his designee has 7 minutes, 30 seconds.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I yield myself the remainder of the time.

Mr. President, I support the motion to strike the Medicaid provisions of the pending bill, thereby providing for a realistic change of historic welfare reform becoming law this year.

This is something I have supported for some time. I joined with Senator BOND in 1994 to introduce the first bipartisan welfare reform plan that required responsibility from day one. Last year, I worked with Republican and Democratic colleagues to craft a bipartisan compromise that passed the Senate by a vote of 87–12. This year, I have been pushing to free welfare reform from controversial proposals to cut nursing home and other health care in Medicaid.

In May, I offered an amendment to the budget resolution calling for the separation of welfare from Medicaid. Although my effort at that time was defeated, I am pleased that it looks like that change is agreed to here today, and we do have them separately.

Mr. President, there is no doubt that the current welfare system is broken and in desperate need of reform. It is failing the people on it and the taxpayers who provide the money to finance it. We need to change it, and we should do it, as we did last year, with bipartisan cooperation.

No one has a corner on good ideas, and by putting partisan politics aside and working together, we can forge a bill that makes common sense. For the past few years, I have talked, from time to time, about the need to enact bipartisan welfare reform, which demands responsibility from day one, requires work, and releases welfare families from the cycle of dependency.

The Iowa Family Investment Program, I believe, provides us with an effective model for achieving these goals. Since Iowa began implementing welfare reforms in October 1993, the number of people working has almost doubled, the welfare caseload has declined, and welfare costs are down. I call that a triple play. In fact, I am proud of the fact that our State of Iowa, right now, has a higher percentage of people on welfare who work than any State in the Nation. I believe that is because of the historic welfare reform that we passed in 1993.

Mr. President, there are other good reasons to look at the Iowa experience as we craft legislation. I commend the Iowa experience to my colleagues. In 1993, Iowa enacted sweeping changes to the welfare system, and did so with very strong bipartisan support. In fact, the Iowa plan received only one dissenting vote from the 150-member Democratically controlled general assembly, and it was signed into law by our Republican Governor. So it shows that it is possible to work together on welfare reform, and the State of Iowa is better because of it.

In 1994, I sought to take a page from the Iowa playbook and went to work with my Republican colleague from Missouri, Senator BOND, to develop bipartisan welfare reform legislation modeled on innovations occurring in our respective States. The result was the first bipartisan welfare reform legislation in that session of Congress. The bill was reintroduced last year.

The centerpiece of the Iowa program is the family investment agreement.

In order to receive aid, all welfare recipients are required to sign a binding contract which outlines the steps that each individual family will take to move off of welfare and a date when welfare benefits will end.

Last September, I offered, and the Senate adopted, an amendment to include such a requirement in our bipartisan bill that passed by a vote of 87 to 12. Unfortunately this provision was dropped in the conference with the House.

Later today, I will again, hopefully with bipartisan support, once again try to include a provision which requires individuals to sign a personal responsibility contract as a condition of receiving benefit. I can tell you these contracts are working in Iowa. In fact, I frequently visit with welfare recipients and caseworkers to ask about the contracts. An overwhelming majority say it is positive and very helpful in charting the course for a family to move off of welfare and to keep on track.

While there are many positive features in this bill that we have before us, from requiring work to increased child care funding to child support enforcement improvements, I have concerns about some provisions, and I hope we can work together to improve them. I will not go into all of them. But I want to say that some of the cuts in nutrition really do not have anything to do with welfare reform, and I think are more designed to reach arbitrary budget savings. We cannot back off of our commitment to child nutrition. It will cost us more money in the long run.

I also have concerns about assuring that we maintain basic health and safety standards for child care. I think the work first substitute is far superior to the committee reported bill. It addresses my concerns, and it also includes a strong contract requirement as well as making our Iowa program a model that other States might adopt. It also maintains our commitment to child nutrition and preserving important protections for children.

Senator DASCHLE will be offering this substitute shortly. As one of his cosponsors, I believe it deserves the support of all Senators. It is tough on work while protecting kids. And that is common sense.

Mr. President, if there is one lesson to be learned from the past year and a half it is this: Confrontation and partisanship is a prescription for failure. The only way we can truly accomplish welfare reform this year is to stop the political games and join forces across the aisle to craft a bipartisan welfare reform which accomplishes the goals that the American people support—a welfare system that puts people to work, and gets them off public assistance quickly, fairly, and permanently.

The adoption of this amendment to take up stand-alone welfare reform moves in that direction of bipartisanship, and I hope that as we proceed on this bill we will continue to work in this spirit—a spirit of bipartisanship—to craft and pass a bill so we can finally achieve needed reform in the area of welfare.

Mr. President, I yield the floor.

Mr. DASCHLE addressed the Chair.

The PRESIDING OFFICER (Ms. SNOWE). The minority leader, Senator DASCHLE, is recognized.

Mr. DASCHLE. Madam President, thank you.

AMENDMENT NO. 4897

Mr. DASCHLE. Madam President, I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from South Dakota (Mr. DASCHLE), for himself, Mr. BREAUX, Ms. MIKULSKI, Mr. FORD, Mr. ROCKEFELLER, Mr. REID, and Mr. KERREY, proposes an amendment numbered 4897.

Mr. DASCHLE. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. DASCHLE. Madam President, let me begin by commending the distinguished Senator from Iowa for his excellent statement just now. He has indicated, in much the same way that I intend to give, the reasons for supporting the work first bill, and his concerns about the pending bill as it has been reported out of the Senate Finance Committee.

There are many Members in our caucus that I would like to single out publicly, and applaud for their remarkable effort and the tremendous work that they have dedicated to this whole issue

and to the determination they have shown to pass a meaningful welfare reform bill this year.

Let me begin with the distinguished Senator from Maryland, BARBARA MIKULSKI, and the distinguished Senator as well from Louisiana, JOHN BREAUX, who were extraordinarily helpful to the leadership all the way through our deliberations and have provided remarkable leadership in their own right. I thank them for that. I appreciate very much their assistance in so many ways. The Senator from Connecticut, CHRIS DODD, and the Senator from North Dakota, BYRON DORGAN, and so many of our colleagues who are listed today as cosponsors have also been extremely helpful.

While we have all put an effort into the issue of welfare reform, I should say that no one in our caucus, I daresay in the Senate, has been more vocal and more of a student of this issue than the senior Senator from New York, Senator MOYNIHAN. He is not on the floor at this moment. But I also want to commend him for the real leadership and the willingness that he has demonstrated throughout to hold this body to a set of principles, and in a sense to be the conscience of the Senate when it comes to welfare. He is indeed the conscience of the Senate when it comes to this issue, and no one has dedicated more years—in fact, I would say more decades—to the issue of welfare and the ways in which to address many of the social ills of our country in an effective way as he has.

Madam President, I have two charts here that I just want to address very briefly. I have listened with some interest to the comments made by colleagues on both sides of the aisle. While, obviously, there are issues that divide us, there are many things that unite us. One of the things that unites us I think is an awareness of the degree to which current welfare recipients face barriers of all kinds as they attempt to confront the real changes that they face in their own lives.

The effort to understand those barriers at the beginning through a better realization of how we address those barriers in an effective way through public policy are all listed on this chart. This chart outlines the barriers identified in a study released last year by the Child Care Trends organization. I think it is very constructive to note that of all the barriers that exist today, the biggest barrier of all is child care. The realization that people are not willing to leave their child home alone, that young children demand and, indeed, deserve to be cared for and protected, and that there has to be some confidence that children will find a way with which to be fed and cared for in a meaningful way. But child care without exception is by far the largest barrier that we face in encouraging and finding ways in which to bring about more work for welfare recipients today.

The second is personal—personal problems; struggle, most likely related to job skills; problems that they have had going all the way back to perhaps even their failures in education. But the realization that unless they develop better job skills and better personal skills in order to be more competitive is something that over one-fourth of all recipients say is the problem that leads them to welfare dependency.

Obviously, there are other issues. I will not go into all of them. Some people simply cannot find work. I know of a lot of South Dakotans who live on Indian reservations where unemployment is 80 percent, and there, frankly, is no job on a reservation in large measure that will bring people to a better opportunity for work than the one they have.

Pregnancy is a problem; inability to work because of disabilities; and, obviously, there is a motivation question in some cases.

So, if we are going to devise a bill that will deal with the barriers, we have to devise a bill that deals with all of the different circumstances that welfare recipients find themselves in. We have to ensure that there is motivation to give them some sense that they do not have the luxury of being unmotivated; that we have to deal with child care; we have to deal with job skills; we have to find ways with which to ensure that, if work is not there, we will find work for them.

So we want to do as many things as possible to ensure that welfare recipients no longer face the barriers that they are facing. That really is what unites Republicans and Democrats, and brings us to the effort that is underway in both the House and the Senate this afternoon.

Madam President, there are a number of areas—and a number of our colleagues have already addressed them—that have been improved in the pending legislation. There are significant improvements, and we have counted perhaps as many as two dozen improvements in the current bill over what was originally proposed last year. There certainly has been significant progress.

I heard the distinguished chairman of the Finance Committee address many of the improvements that are made in this legislation. We still believe, however, with all of the improvements, there are some very serious deficiencies we have to address. And in an effort to lay down the marker, to find a way with which to make a comparison between the pending legislation and what ideally Democrats would like to see as a meaningful comprehensive welfare reform approach, we are now offering what we call the work first II plan. We have also made improvements. We have also addressed deficiencies that have been raised over the last 12 months. We have also tried to find ways with which to come to the middle, and, even though we thought we were in the middle from the very beginning, maybe a better phrase would be to compromise with our Republican colleagues in a way that addresses their concerns and brings to a higher level of priority some of the concerns that have been raised by critics of welfare reform in the past.

So we today propose the work first plan which provides for conditional assistance of limited duration, which provides work first for all able-bodied recipients, which turns welfare offices into employment offices, and which guarantees child care assistance.

If I could say what our goal ought to be, regardless of what approach we might take, I hope we would all agree on three important goals: first and foremost, providing the assurance that people will have the ability to get a good job, first by the acquisition of skills, and, second, by the acquisition of whatever necessary means it may require to ensure that they have access to good jobs. Turning welfare offices into employment offices ought to be what welfare is all about.

Secondly, we want to ensure that we are protecting children, that we are not going to punish them, that we will not hold vulnerable individuals in a way that would jeopardize their future, that would condemn them to the same cycle of dependency that their parents and grandparents and great grandparents have experienced.

So protecting children ought to be our second goal—fortifying them, strengthening them, empowering them to do things that they may not otherwise be able to do on their own.

Third, we believe there are ways in which to save Federal tax dollars. We believe we can provide a welfare system that is more efficient, that saves resources in ways that can be better spent, first, in welfare but also in the vast array of other responsibilities we have at the Federal level.

So in a sense, Madam President, that is exactly what the work first bill does. It provides work; it provides job skills to get work; it protects children; and it saves money. In fact, it saves about $51 billion, according to the Congressional Budget Office. The CBO scores our plan as real reform. The CBO says that we have sufficient resources to put welfare recipients to work, one of the goals.

In addition, we provide sufficient resources to pay for child care to assist states in meeting the work rates, to pay for the other major responsibilities that we see shared at both the State and the Federal level.

Unlike our plan, the CBO does not say the same about the Republican plan. CBO says that States will just take the penalties that are incorporated in the Republican plan; that they will not put people to work; that they will not meet the work rates; that they will not fundamentally change the current system. The Congressional Budget Office says that about the Republican plan, about the Finance Committee passed plan, not about our plan.

Under our plan, the work first plan of 1996, we do some of the same things that the Republican plan does. We provide conditional assistance of limited

duration. We require that there be work for all able-bodied welfare recipients. We turn welfare offices, in other words, into employment offices. And we guarantee child care assistance.

Those are the fundamental principles of the work first plan. Our plan answers three key questions: Does it require welfare recipients to look for a job? The answer is yes, unequivocally. Second, does it require welfare recipients to work? The answer is yes, unequivocally. Finally, does it help welfare recipients retain a job? Again, the answer is yes, unequivocally.

Under our plan, there is no more unconditional assistance. From the very first day parents are going to be required to sign a contract. It is a blueprint for employment. They must sign it to receive any assistance whatsoever. Under the Republican plan, there is no contract at all.

For the first 2 months, our plan calls for extensive job search. We get the most job-ready into the work force that we can, that is, the more people that come into the welfare offices looking for help, the whole design is to find them help not with a welfare check but with a job, with assistance to get that job. If within 3 months a parent is not working or is not in job training or education, that parent must perform community service. They do not have the option. They are required to perform community service within a 3-month period of time.

Within 3 months, our plan, in other words, has a work requirement. It may surprise some that there is no work requirement of that kind in the Republican plan. There is no similar provision. We see a lot of tough talk but no actual work requirement for 2 years under the Republican plan.

So there you have one of the very significant differences between the work first plan, which is work in 3 months, and the Republican plan which is only work after 24 months or 2 years. That is 2 years of unconditional assistance under the Republican plan as it is currently written.

Our plan is tough on parents, Madam President, but not on children. And that in our view is the second big difference between ours and theirs. Our plan protects children. Child care for parents who are required to work and parents transitioning from welfare to work is something we want to do in every possible instance. We want to provide vouchers for children whose families have reached the time limit.

We recognize that in some cases you are going to bump up to the time limit and then it begs the question, what happens to the kids? Are the kids also going to be penalized through no fault of their own? And if they are penalized, are they then relegated once more to this neverending cycle of dependency and poverty with no hope of bringing themselves out?

Health care coverage for children whose families have reached the time limit is something that we think is vital if we are going to provide meaningful, comprehensive assistance that deals with the challenges we talked about earlier.

It seems to us that Republicans may not want to do this. They end up aiming at the mother but in some cases hitting the child. They do not allow their block grant funds to be used to help children whose families have reached the 5-year time limit. They do not guarantee child care. They do not guarantee health care. Their idea of a safety net is a sieve. There are so many holes in that safety net there is no possibility that people who are trying to work their way through the system can protect their kids and ensure that they have the competence to go out and get a good job.

The work first plan targets the specific barriers, in other words, Madam President, that we feel must be addressed if we are going to be successful in passing a meaningful comprehensive, successful welfare reform plan this year. In child care, we provide $8 billion in new resources. That is $16 billion total because that is what we are told will be required if, indeed, we want to provide the services to those directly affected. Unlike the Republican plan, the Congressional Budget Office says we sufficiently fund child care to make the work rates and assist those transitioning from welfare to work. The Republican plan cannot make that claim. They recognize, if CBO is to be the guide, that they fall short in providing the necessary resources to ensure that the child care services are going to be provided.

Our plan also targets aid to the working poor so they will not have to turn to welfare or return to welfare at some later date.

The second barrier that I addressed just a moment ago is personal reasons. Many welfare recipients cite personal reasons for not working, like the lack of transportation or no job skills. The money to tear down these barriers is something that has to be provided in a welfare reform plan—money for transportation, resources for job training, resources it takes to create their own plans to put people to work. In other words, to be honest and to recognize that unless we have the ability to deal directly with those reasons that welfare recipients give for their inability to get a job—their inability to get to a job, their inability to qualify for a job, their inability to demonstrate that they have the personal skills to hold a job—we are not going to change this welfare dependency regardless of all of our good intentions.

So, we address those. We address those personal reasons that welfare recipients have given time and time again. For those who are unmotivated, our answer is very simple. We say the time limit is going to be there and you are going to have to accept it. You have a timeframe within which you must get a job. You have a timeframe within which you must realize the benefits are going to stop.

Unless you are unwilling to work with us, you can expect we will work with you to address your motivation and problems of the past. We can help you get job skills. We can help you get child care. But you have to reciprocate. You have to find ways in which you can prove to us you are motivated and you want to get that job as badly as we want to get you one. So dealing with the unmotivated is something we feel has to be addressed.

We also address the barriers the Republican plan does not. The Congressional Budget Office says the Republican plan will not meet the work rates that we all are stipulating or stating as our objective in dealing with welfare reform. The Congressional Budget Office says the Republican plan falls far short on child care.

Clearly the Republican plan needs to be improved in a number of areas, and that is our whole purpose: To lay down in a comprehensive way, in one bill, all of the areas that we believe would allow us, as Democrats and Republicans, adequately to address the deficiencies and work together to solve them.

There is a lot of common ground, as I said just a moment ago, on welfare reform. We all want to reform welfare. We all want to end welfare the way we knew it. We all want able-bodied welfare recipients to work. There ought to be no unconditional assistance. We largely agree with that. But not welfare reform on the backs of children. That may be an area where there is some disagreement. There are over 8 million children today who receive welfare. It is the children that we feel the need to protect, infants and toddlers who do not know what welfare is ought not to be penalized. They ought to be held harmless in this effort to try to help their families and their parents.

So, Madam President, this is an opportunity. It is an opportunity to come to the middle. It is an opportunity to address what we consider to be a bill that yet, in spite of its improvements, still has some serious deficiencies that need to be addressed if, indeed, we are going to pass this legislation and have it signed into law.

The President has made it very clear he will not be hesitant to veto a bad bill. On the other hand, he has also made it clear that he would like very much to work with Republicans and Democrats to sign a good bill. We have an opportunity this afternoon, tonight, and tomorrow, to make this bill a good one. Passage of this amendment would do just that.

So we hope Republicans will join Democrats in supporting the work first amendment: To save the $51 billion we know we can save if we do it right and still protect the children, to fundamentally change the welfare system as we know it and to recognize we simply cannot do it on the backs of children.

A tremendous amount of effort has gone into this whole project. I am, indeed, very grateful to my colleagues

for their help and all the leadership they have demonstrated in bringing us to this point. I urge its adoption. I urge bipartisan support.

I will be delighted to yield to one of the coauthors of the legislation, the Senator from Maryland.

Mr. DOMENICI. Will the Senator yield for a question? Will the Senator yield for a question? Just a brief one?

Ms. MIKULSKI. Of course.

Mr. DOMENICI. We do not have the amendment. We understand it is 800 pages long and we have not seen it. Does anybody know where we could get a copy of it?

Mr. DASCHLE. We will get you a copy.

Mr. DOMENICI. You will get us a copy? Thank you very much. Thank you, Senator.

The PRESIDING OFFICER. The Senator from Maryland is recognized.

Ms. MIKULSKI. Madam President, I am proud to join the Democratic leader and Senator BREAUX in offering this substitute amendment, the Work First Act of 1996. As one of the coauthors of this amendment, working with Senator DASCHLE and Senator BREAUX, I want to say it does reform welfare. It embodies the principles of turning the welfare system into an employment system, of being firm on work, and of providing a safety net for children. It recognizes that child care is the linchpin between welfare and work. And it puts men back into the picture.

We do it very straightforwardly. We do it by replacing AFDC with temporary employment assistance, which is time-limited and conditional. We require all parents on welfare to sign a parent empowerment contract, which is their plan for moving from welfare to work, and which also emphasizes their role and responsibility in child rearing. We advocate not only moving people to work, but we do it by providing the tools to move people to work, through child care assistance, transitional Medicaid coverage, and other work-related services. We also require a safety net for children with child care funding, a guarantee of health care, and noncash aid where it is needed to meet the specific needs of each child. In the event the parents do not meet their responsibilities, we are not going to punish the child for the failings of the mother. We also eliminate the cruel and punitive rule called the ''man in the house'' rule and allow States to offer job placement services to fathers. The Work First Act is a plan that is tough on work but not tough on kids.

It is important to note the bill before us today is much improved over the Republican plan which the Senate considered last year. Many of the provisions included in the Democratic work first bill from last year have been incorporated into this version.

I am particularly pleased that earlier Republican efforts to block grant child protection programs—to take the child protection programs and turn them into a block grant—have been abandoned. This is an issue of special importance to me. I worked as a child abuse and child neglect worker, and I know how crucial those programs are. It was absolutely crucial this bill maintain those protections. I thank Senator CHAFEE and all those on the other side of the aisle who worked on that. I want to acknowledge the Senator from Maine for her particular role in that advocacy.

I believe the changes that have been made to last year's Republican bill has brought us a long way. The pending bill is no longer the punitive one that was brought to the floor last year.

But I do believe improvement needs to be made. That is why we are offering the work first amendment. This amendment is the result of ongoing efforts to find the sensible center. We listened to the concerns raised about the work first bill in last year's debate. So we tightened up our plan, and we save more money. We save some $51 billion. We also heard the voices of the Governors, and in response made sure our plan provided greater flexibility for the States to design their own programs. I believe our plan is a stronger plan as a result.

In drafting our amendment, we emphasize two clear priorities. First, we wanted to emphasize work as the goal of any welfare program. Second, we wanted to protect children and provide a safety net for them.

First and foremost, our plan is about the empowerment of people, not the enlargement of bureaucracy. Empowering people has become almost a cliche. What does empowerment mean? Empower means that you give people tools to get ready for a job, to obtain a job, and to keep a job. We think you have to be in job training and we emphasize the job training must immediately lead to work.

I do believe the best social program is a job; one that moves a person from welfare to work, and to a better life for themselves and their families. That is what we hope to do.

Work is the cornerstone of our plan. The first step for any welfare recipient will be to sign an empowerment contract, which is a contract outlining a plan to get into the work force. Our plan ensures that people live up to their contract by requiring recipients to engage in an intensive job search, ending assistance to those who refuse to accept a legitimate job offer, and providing a 5-year time limit for benefits.

We give the States the resources and the flexibility to help people meet the terms of their empowerment contract, whether it is job search assistance, on the job training, placement vouchers or even wage subsidies.

This emphasis on work changes the whole culture of welfare by saying welfare should not be a way of life but a way to a better life. We want to turn welfare offices into employment offices, by changing the focus to looking for work rather than looking for benefits.

But while we are making work the top priority, we also look out for the children with a safety net that provides child care, health care and protections from child abuse. We recognize that lack of child care is the biggest obstacle to work; to both getting a job and keeping one. So our bill provides $16 billion in child care funds for those required to work, for those transitioning to work, and for the working poor so they don't slide into welfare.

We also make sure that every child has access to health care; that they get their immunizations; that they get their early detection and screening so that their parents are not only workforce ready, but the children are learning ready when they go to school and stay in school.

We maintain that Federal commitment to fight child abuse by requiring States to meet Federal standards in child welfare and foster care programs. We also reauthorize the Child Abuse Prevention and Treatment Act.

Child abuse and neglect is growing like an epidemic. Just like we need to end welfare abuse, we need to end the abuse of children. With child protection systems overwhelmed, and half the States under court order because of the way they handle child protection, we must do all we can to make sure no one gets away with abusing or neglecting a child.

Madam President, we also provide a safety net for children. I believe that most welfare recipients will move to work and take advantage of the opportunities in this bill. But if they do not, we are not going to punish the child. We are not going to aim at a parent and hit the child. So we require the States to assess the needs of children in families who have reached the time limit, and to provide noncash aid, for example, vouchers to a third party, to meet the basic subsistence needs of children. States will have the flexibility to design this program, but we believe the Federal requirement is needed to make sure that children do not pay the price when parents are unable to move from welfare to work.

Because we value family, marriage, and work, we know the strongest family is one with two parents, with the father in the home. So the work first amendment brings men back into the family by ending rules which create a marriage penalty if poor people get married and stay married.

Our bill is also tough on child support. It requires Federal and State governments to work together to enforce child support orders, streamlines the process to collect child support checks, and calls on States to implement tough procedures to make sure that parents do live up to their responsibilities. We, the Democrats, believe that if you are a deadbeat parent, you should not have a driver's license or a professional license, and so we call on States to implement procedures on that.

Madam President, I hope we adopt this work first amendment. It is an amendment which pulls together the best ideas of both parties. It ends the cycle of poverty and the culture of poverty.

It is a plan that saves lives, saves taxpayers dollars, creates opportunities for work and protects the children.

I urge the adoption of the amendment, and I yield the floor.

Mr. D'AMATO addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. DOMENICI. How much time does the Senator need?

Mr. D'AMATO. Fifteen minutes.

Mr. DOMENICI. Madam President, I yield 15 minutes of our hour to the Senator from New York.

Mr. D'AMATO. Madam President, I rise in strong support of the welfare bill that is before us. Let's put it simply: Our current welfare system is broken. It is broken. We have recognized that. This Chamber passed a welfare reform bill 87 to 12. I want to raise the question, did my colleagues who overwhelmingly support this bill vote for that because it was a bill that was going to punish people or did they recognize that the system is broken and is in need of repair—87 to 12?

Let me say something. The welfare system was never intended to become a way of life. It was meant as a temporary haven for rough times to assist people, and after 30 years, it has expended $5 trillion, and the welfare system still does not work. It entraps people, and the results have been a horror.

The fact of the matter is that we have to do better than sloganeering. We have to do better than saying ''ending welfare as we know it'' is a priority. The President has said that. But we need action, we need real action, and the one thing we do not need to do is to empower the bureaucracy here in Washington, because some of my colleagues are advocating that we give and make the czarina of HHS, the czarina who will have absolute authority as it relates to the administration of welfare programs in our States.

All of a sudden, we have adopted an attitude that somehow the Governors of our States, Democrats and Republicans, and the legislatures of our States are inhuman, that they do not have the capacity to do what is right, that they would threaten our children, threaten our seniors, threaten the elderly.

Madam President, that is not correct; that is not true. But I will tell you what I do believe. I believe that most of the Governors and most of the State legislatures are saying, ''Set us free. Let us help our people help themselves. Help us help encourage a work ethic.''

The fact of the matter is, this bill is very similar to last year's bill which passed overwhelmingly. There are some myths that say we will hurt children. That happens not to be the case. I am going to touch on some of these things, but let me say something. No less than a great President known for his compassion for immigrants, for poor people, for working people, for the downtrodden than Franklin Delano Roosevelt said it best when he talked about welfare. He said:

> If people stay on welfare for prolonged periods of time, it administers a narcotic to their spirit, and this dependence on welfare undermines their humanity, makes them wards of the state and takes away their chance at America.

Franklin Delano Roosevelt. I do not believe any of us can say it better. I am not going to attempt to say it better. I refer to a great American, a great President, the man who had every bit as much compassion for those in need as anybody who warned us and gave us the admonition of watching about entrapping people and killing their spirit, the American spirit.

Madam President, the current system has created a culture of dependence that has doomed an entire generation of children, and it has consigned them to poverty. Some people do not like to lose control. They are more worried about their power and their control in terms of what has taken place. They seem to be blind to that. Somehow we are going to make it worse. How can we make it worse?

Look at the statistics. Look at the out-of-wedlock births that continue to rise. Look at the cycle of dependency. The current system provides a basis for, if not encouragement of, irresponsible behavior, particularly in the area of out-of-wedlock births.

This is a strong bill. Is it a perfect bill? Of course not, but it is an attempt to strike a balance between giving power to the States and to local communities to set expectations for work and responsibility, limiting benefits as it relates to time and maintaining a safety net for children and hardship cases. This bill maintains that safety net.

Let's take a look at the record. A great Governor in our State, Al Smith, said that sometimes people do not like to look at the record because it can prove to be embarrassing. There are facts in these records. If we look over the last 15 years, we will see an increase in welfare spending that is absolutely startling.

Our expenditures have risen from $27 billion in 1980—$27 billion when I came here to the Senate—to $128 billion. Have we improved the lot of those on welfare? I do not think so.

While the bill converts the AFDC Program, the Aid to Families with Dependent Children Program, to a block grant that we have heard so much about—''No, don't give a block grant, you're going to be giving it to the Governors.'' We are not giving it to the Governors. What we are doing is turning over responsibility to those closest to the people who have seen how badly the system has been administered, how flawed it is, how it does not give flexibility to deal with the human needs of our citizens.

While it makes a block grant, it provides $4 billion in extra money, not less. Four billion dollars in extra funds will be available to help welfare clients hold a job, and it provides up to 20 percent of the caseload will be exempt from time limits, so that if there are those people with special needs who cannot hold a job, who cannot work, who are going to have to stay on welfare beyond 2 years or beyond 5 years, it does exactly that, it gives to the States flexibility.

The bill addresses a small but very growing problem of immigrants' use of welfare. I, being the grandson of immigrants, understand the great culture that we have in this country due to our immigration and to our diversity of cultures, and it has contributed to the strength of America. I do not want to stop immigration to this country, but I have to tell you, we have seen lately a situation that has developed where we have 3 percent of the population, and that is what the foreign-born population is; the immigrant population over the age of 65 now constitutes over 30 percent—30 percent—of the elderly receiving SSI benefits. Something is terribly wrong, and we have found, through hearings, what is taking place.

There are those people who are gaming the system. They sign up to bring elderly people in and say they are going to be responsible for them, and they put them right on welfare. That is not right. That is not what this system is about. We did not design the system to say, ''Come here and get welfare benefits, and John Q. Public, hard-working middle-class families, are going to pay for it.''

There is a question of, are we going to hurt the children? Let me tell you something. We guarantee that school lunch programs will be continued for the children of those who are born here and for immigrant children as well. We understand our responsibility. I thank the Agriculture Committee for continuing this important program.

Let me touch on one other area. For years we have had a gaming of the system. We have had what you call welfare shopping where people from one jurisdiction will move in to an adjoining State so that they can get higher benefits. We have seen the statistics. I saw one county, when I offered this provision 4-years ago to stop welfare shopping, to eliminate it, to cut down on it, they had this relatively small county, and more than 600 families moved in, people moved in to Niagara County to get benefits. They were receiving welfare benefits in other States, adjoining States. Since the benefit level in New York was much higher, they found the system, and the word spread. People moved in simply to get on welfare.

That is not what this is about. What does this bill do? It stops welfare shopping. It says, if you move into a jurisdiction and you were previously on welfare, you come into a system and go right to the welfare commissioner to

get your increased maintenance, you will receive payments at the same level for a year that you were receiving from the adjoining State. So that is going to stop that practice.

Again, President Roosevelt talked about the narcotic. It seems to me that this is what has taken place. We have really been saying over generations and generations, it is OK, it is OK; you can game the system.

This bill includes $4 billion in additional child care funding that is not available now. It is not available now. That is a good bill. It makes sense. In fact, this bill has more money for child care, a larger contingency fund, greater financial incentives for States to meet the work requirements, a higher hardship exemption from the 5-year limit, and a better maintenance of effort than the bill that we passed 87–12.

It is a superior bill. It has more safety for children. It provides more revenue, more flexibility for States. To what? To hurt people? No. To move them off the cycle of dependency, to move them into real work.

The bill has a 5-year limit on benefits. It is necessary. It is an adequate length of time for recipients to raise their infants, straighten out their lives, and get a job and make a better life for themselves and their children.

Madam President, we have to be honest with ourselves. May there be some imperfections? Of course. Are we going to say, though, if there is an imperfection that a State will duck out on their legitimate responsibility to feed the poor, to take care of the children, to take care of those who are truly in need? Are we really saying that somehow those of us here in the Senate and in the House of Representatives have a higher standard of helping those who are most in need than our local representatives, than our Democratic legislatures, than our Republican legislatures and our Democratic Governors and our Republican Governors? Is that what we are really saying?

The system has been gamed. The system has grown from $27 billion to over $128 billion in the past 15 years—billions and billions more—no additional freedom, no additional opportunity for those it has entrapped. If one were to look at the statistics, it is staggering. Only 1 out of 20 who have dependent children—only 1 out of 20—go to work. Is that the legacy we are sowing? Is that what Franklin Delano Roosevelt meant when he said, again: If people stay on welfare for prolonged periods of time, it administers a narcotic to their spirit. This dependency on welfare undermines their humanity.

Think about that. How prophetic. I think it has undermined their spirit, their humanity. It makes them wards of the state. Who wants to be a ward of the state? Who wants to feel like a second- or third-class citizen? Who wants to feel like they are not carrying their weight? Give our people an opportunity. Free them. Let us create the incentive to move them into work. Do not hold them in bondage. Let us not get involved in the ridiculous politics of one-upmanship.

Let us give to our States and local administrators the ability to help bring about this kind of change. It is going to be tough. It is not going to be easy. It is going to be very tough. Some people may not make it. We may not be totally successful. I daresay, we will not be. But for every individual, for every citizen that we help, who gains that spirit of independence and freedom, freedom to do for themselves, economic freedom, freedom to stand up and say, ''I participate to the best of my ability,'' that is what we have to be seeking.

I think it is about time that all of us, Democrats, Republicans—this bill passed overwhelmingly, 87 to 12. My colleagues on the other side supported it. Was it perfect then? No. Is it perfect now? No. But it is better than doing business as usual. The time for sloganeering has passed, Madam President. Future generations need our help. Some parents may not be happy about what we are going to be doing, but to those who are born and those who are yet to be born, we have an obligation to do what is right and to provide a way and to provide an opportunity for economic freedom.

I urge that we come together and pass this bill. It is a good bill. It is not perfect. It certainly will be helping people—people—in this country and its spirit.

Mr. DOMENICI. Will the Senator yield for a question?

Mr. D'AMATO. Certainly.

Mr. DOMENICI. First, before I ask the question, I see my friend, Senator EXON is here, the ranking minority member. A little while ago, I mentioned I have not seen the Senator's Democrat amendment yet and that it was 800 pages, I understood. I ask the Senator, did he have some suggestion with reference to that amendment?

Mr. EXON. Yes, I did. I am not sure how serious it was, but I heard the strenuous objection to the 800 pages in the amendment that is now before us. I suggested maybe if the Republicans would accept it, we would cut it down to 700 pages. The Senator did not immediately agree to that. Will the Senator take it under consideration?

Mr. DOMENICI. I think the Senator has to get down to maybe 300, 400 pages. Then we might be interested.

Mr. EXON. That shows bipartisanship and cooperation is working.

Mr. DOMENICI. Mr. President, I wanted to ask Senator D'AMATO awhile ago—he was talking about noncitizens who are receiving welfare benefits. I want to ask, because I think the American people somehow have missed over the last 15, 20 years, because most of us missed it, we were totally unaware, as I understand it, that many Americans were sending off to foreign countries for their elders under an American policy that is so generous it just makes you understand what a wonderful country we are. Under a policy of family unification, we let a 45-year-old, 48-year-old American send off to a foreign country and bring their 65-year-old mother or father to America.

Mr. D'AMATO. That is correct.

Mr. DOMENICI. Right. That 45, 48-year-old American signs an agreement that that relative will not become a ward of the people of America, because we have had a policy since our Revolutionary days that noncitizens, aliens, illegal aliens and aliens, would not become wards of the state; thus, moving aliens to become citizens and to become productive. That was the reasoning.

Here is what has happened. That 45, 46, 47-year-old American, in good faith, brought that elderly parent over here. But what happened, I say to the Senator, is that in very short order they found that the U.S. Government would do nothing about it if they did not support them. So guess what happened? They did not support them. So guess what happens? Hundreds of thousands are on SSI.

In fact, I want to show the Senator this chart because it is so incredible. It makes our point in the most descriptive way you could. Of the general population, 2.9 percent of that general population are noncitizens over 65.

Mr. DODD. Will my colleague yield on that point?

Mr. DOMENICI. In just a moment. Look at this. And 29 percent of all of those on SSI are noncitizens over 65, 10 times the proportion of the population that they represent—10 times.

Mr. DODD. Will my colleague yield?

Mr. DOMENICI. I was borrowing his time.

Mr. DODD. If the Senator will yield, my colleague from New Mexico raised a good point.

As I understand it, the underlying bill that came out of committee bans this. The substitute that is being offered by the Democratic leader bans this. Our colleague from New Mexico has raised a good point here. As I understand it, both bills plug up this loophole that the chairman of the Budget Committee has so accurately and properly pointed out.

Am I wrong on that?

Mr. D'AMATO. I do not know about the——

Mr. DOMENICI. I have a lot of difficulty finding out what is in your bill. As soon as we get the 800-page bill.

Mr. DODD. I am here to say it is in the bill. We ban it. I presume it is banned in the underlying bill, as well.

Mr. D'AMATO. It is banned in the underlying bill.

Mr. DOMENICI. We agree it is there, and we compliment you for, at least, that page.

Mr. DODD. I just wanted to be clear on that.

Mr. DOMENICI. Just to understand, that is 1 million aliens who are on SSI.

Mr. D'AMATO. Improperly.

Mr. DOMENICI. Frankly, all we are saying is that is not the way we intended it, so fix it, and make sure it does not happen.

Now, we actually know, and I share this with my friend from New York, we actually know that there are games taking place where people are educated about how they can come here under the circumstances I described and how soon they can get on SSI. Now, if you would like for this little dialog to show how many are advantaged now by Medicaid, since Americans wonder about Medicaid, let me give you the number. I do not think you would have known it. Madam President, 2.7 million aliens are on Medicaid.

Mr. D'AMATO. Would my colleague know how many billions of dollars a year that is costing the taxpayers?

Mr. DOMENICI. I cannot remember.

Mr. D'AMATO. If we multiplied 2.7 million times $3,000 per recipient—and that is a modest figure, because as they are more elderly the cost even goes up higher—we would find that is a shocking figure. It seems to me that approaches over $6 billion a year—$6 billion a year. That is a round number.

Mr. DOMENICI. We figured it out. It is $8.1 billion.

Mr. D'AMATO. So I gave you a low figure of $6 billion.

I am happy to yield to my colleague and friend but, again, let me simply say what is taking place is that the noblest of purposes—as a result of the culture that has developed in terms of our present welfare system, it is doing exactly what our great President Franklin Delano Roosevelt said. He said it would act as a narcotic to the spirit of those who received these benefits for a prolonged period of time, undermine their humanity.

There is nothing more noble than taking care of the elderly, taking care of one's parents and grandparents and sending for them. That was why we have this legislation. I think we demonstrate how quickly that becomes undermined when we now have a system that encourages the abuse. I commend my colleagues on the Democratic side for saying, and recognizing, that this is something that has to be dealt with.

Madam President, I strongly urge we get done with the business of rhetoric as it relates to talking about the need for welfare reform and enact this legislation substantially in the form that it is, do the business of the people, and particularly the business of future generations, of giving them an opportunity to really live the American dream, to feel free, to feel that spirit of independence that is a right of every one of our citizens.

I yield the floor.

Mr. EXON. Madam President, may we have the chart back up for a minute. I yield myself such time as I may need. I will be brief and then I will yield to the next speaker on this side.

It is an interesting chart that my friend and colleague brought up. We have been debating this. I simply point out that I think we are debating a smelly dead polecat or a straw man. Both of the bills, the Republican bill and the amendment that we have offered, both address what has been pointed out here as something wrong. Another way of saying that is that there are general agreements on both sides of the aisle that these kind of things must be corrected.

I simply want to point out that we agree with the points made by the chairman, my friend and colleague from New Mexico, and the junior Senator from New York. I simply say of the 800-page bill that we have agreed to cut down, one or two of the pages in that bill that address the very same thing that is adequately addressed in your bill, are two of the pages that we will not drop. I simply say, I think we have enough to debate about. I want to make the point there are lots of similarities between the two bills, and it may take 800 pages to define some of the objections that we have which we will continue to debate and point out.

I come back to the basic point I made in the opening remarks on this side. We are most concerned about children, and while we recognize and agree and salute the opposition for some of the changes they have made, we still think more has to be done with regard to children.

How much time remains on the Daschle amendment?

The PRESIDING OFFICER. The proponents have 31 minutes and 10 seconds.

Mr. EXON. How much time does the Senator from North Dakota need?

Mr. DORGAN. Twelve minutes.

Mr. EXON. I yield 12 minutes to the Senator from North Dakota.

Mr. DORGAN. Madam President, I appreciate the cooperation of the Senator from Nebraska.

I rise to support the work first amendment offered by Senator DASCHLE. This issue is not, as is often portrayed, a caricature about Cadillac welfare queens whom we have heard about over a couple of decades of debate about the welfare system. The stereotype we hear about is this clipping of a Cadillac welfare queen, living in some big city, collecting a multitude of checks with which to buy a Cadillac and color television, and living the life of leisure.

That is not what this debate is about. It is about a welfare system, and this is a serious subject, that affects the lives of many, many people. This is the right subject. The welfare system does not work very well in this country. It does not work very well for the taxpayers, because there are able-bodied people who make welfare a way of life and should go to work. It does not work very well for those on welfare because it encourages them to stay there rather than go to work. It does not work well for kids, who are the most important element in this issue.

I have told my colleagues about the young boy I have never forgotten, a young boy named David who came to testify at a committee hearing. He lived in a homeless shelter with his mother in New York, moving back and forth between shelters. He testified before a committee on hunger and said, ''No 10-year-old boy like me should have to put his head down on his desk at school in the afternoon because it hurts to be hungry.'' I have never forgotten this young fellow and what he said.

The debate about this bill is increasingly about children, about those who live in circumstances that are troubled, about those who are born in circumstances of poverty, about those who have suffered setbacks in their lives. Two-thirds of the welfare expenditures in America are for the benefit of kids under 16 years of age. If you listen to some of the debate, you would believe that welfare is essentially, if not entirely, about giving a check to an able-bodied person so she can find a LA-Z-BOY couch or chair and lean back, and watch television, while drinking a quart of beer. That is the caricature drawn of welfare recipients, but that is wrong.

Two-thirds of the welfare dollars are spent for children under 16 years of age. No one here would sensibly say it is time to kick 10-year-olds out and have them go to work, get a good job, and take care of themselves. Children in this country, born in circumstances of poverty, did not ask for that, and we owe it to them to care about their lives.

I mentioned that welfare is the right subject, because the current welfare system does not work very well. The fact is, there are many similarities between what the Republicans and Democrats in the Congress believe on welfare reform. We tend to emphasize the differences, but we have much in common.

There is an avalanche of teen pregnancies in this country, and too many of them end up on welfare and are unprepared to take care of children. We need a national crusade to try to reduce the number of teenage pregnancies in this country. That is one way to address the welfare issue. We do that in the amendment that is before the body now.

There is an army of deadbeat dads in America, men who have babies and leave, saying, ''Yes, it is my baby, but not my responsibility, and I do not intend to pay a cent for that child.'' Guess who pays for that child? The American taxpayer. This bill says: Deadbeat dads, avoiding your responsibility is over. If you have children, you have a responsibility to help pay for the care of those children. And you have a responsibility to the American taxpayer.

Tens of billions of dollars in child support payments that are owed by deadbeat dads who have left and said, ''The kids I fathered are none of my business.'' This bill says: I am sorry, but you are wrong, and we are going to make sure that in the future you take responsibility for those children.

Yes, there are able-bodied people in this country who believe that welfare

can be a way of life. This bill says, you are wrong. This bill says that we intend to turn welfare offices into employment offices. We intend to say to welfare people—those who are able-bodied—If you are able-bodied and need a helping hand, if you are down and out, down on your luck, if you have just had a fire and lost everything in your trailer home, lost your job, suffered health consequences, or you have suffered a multitude of problems, we want to reach out and give you a helping hand. We want to help you back up, to help you get back on your feet, and to give you a chance.

That is what our welfare system ought to be. But it ought to also say that you have a responsibility as well. Yes, we will help you get back on your feet, but you have to be involved in helping yourself, and you have certain responsibilities. If all of the American taxpayers are going to help you, you have a responsibility to help yourself. That is also what this legislation does.

Work is the focus of this bill for those who are able-bodied. This is a tough bill, but a fair bill. It reforms the welfare system in the right way. It says that if you take responsibility for yourself, the Government will provide you with a temporary helping hand. It says we will provide you with the tools to get back into the work force and when you get there, we expect you to stay there. This amendment requires the able-bodied to sign a contract agreeing to go to work. It also says that if you fail to live up to the terms of that contract, your benefits will be terminated immediately.

The plan is flexible. It gives State and local governments the ability to be creative in developing their plans. But this plan especially recognizes that child care and job training are the linchpins to solving the welfare problem for those who are able-bodied.

I have told my colleagues of getting up in 6 in the morning and going to a homeless shelter in this town, Washington, DC, and talking to a young woman who had several children, and then driving back to the Capitol Building about 8 in the morning and thinking to myself, if I had been that young woman, what would I have done? Would I be able to climb out of the circumstances she found herself in, with a husband who left her, a need to care for several children, no job, no skills, but certainly not a desire to remain in that circumstance? This is not someone who said to me over pancakes at the shelter, ''I really want to stay on welfare.'' With tears in her eyes, she said, ''I want to go to work. I want to get a place to live. I want to provide for my kids. I want to get skills so I can get a good job.'' I was trying to think on the way back to the Capitol, I wonder how I could deal with that if I were her. Well, if you save for the first and last month's rent to get an apartment, they will cut you back on the AFDC payments. So you cannot save in order to get into an apartment. So no housing, no home. You will remain homeless. If you go get a minimum wage job frying hamburgers, as she did, what happens? You lose your children's Medicaid benefits. No health care for your children. If you try to go find some job training, where do you put your kids? Is anybody going to pay child care? No. So they are trapped. This young lady was trapped and she did not want more help. She did not want more welfare. She wanted to find a way out of that trap—to find a job, help provide for her kids, to give her hope and an opportunity for the future. That is what this debate is about.

This debate says it is unfair to the American taxpayers to pay for those who are able-bodied and stay at home. But it also recognizes that most people finding themselves on welfare want a way out, a way up, a way to improve their lives. This legislation offers that helping hand by saying that you have a responsibility, even as we help you. If you fail to meet that responsibility, we will not help. The amendment says, with respect to the issue of teen pregnancies, there will be no more independent households for teen mothers on welfare. None. Stay at home and stay in school. You must live with an adult family member or in a supervised setting where you can learn the skills to become a responsible parent. If you do not, there will be no benefits.

Some will say that is tough, and it is tough. But it is what we must do to reform this welfare plan. I have talked about the many challenges we face in Congress today. I summarized it by talking about kids, jobs, and values. That summarizes most of the challenges we face in Congress—dealing with kids, jobs, and values. The welfare debate touches all of those areas. It is, most importantly, an issue of what do we do about kids born in circumstances of poverty, born into a life that they did not choose. They did not ask to be born in poverty. What do we say to them? Do we say, ''You have value, merit, and we intend to help you, and we care about your lives''?

Welfare reform is about jobs, moving people from circumstances of welfare to employment, and to the ability to take care of themselves. Values? Yes, it is also about values. Do we value work over welfare? If so, let us apply those judgments in welfare reform, on the minimum wage and in other areas. Let us say to the folks at the bottom of the economic ladder in America that we are going to help you climb up the ladder and help you reach your full potential.

In my final remaining moments, let me tell my colleagues, I think for the second time, about Caroline, because she is an object lesson, it seems to me, of what we are discussing today.

Caroline was a wonderful Norwegian woman, who married a man named Otto in Oslo, Norway, came to this country and settled in St. Paul, MN. Otto tragically died. When Otto died, Caroline had six children. She took the six children and moved to the prairies of North Dakota and settled in a tent in Indian Creek Township, I believe, in Hettinger County, ND. They lived in a tent. Then this strong Norwegian woman built a home, raised a family, started a homestead and became a North Dakota farmer.

I can only guess what kind of strength and courage it took for this Norwegian woman, losing her husband, to move to the prairies of North Dakota and pitch a tent and raise her family and start her farm. But she did it. And she had a son, and her son had a daughter, and her daughter had me. That is how I came to live in Hettinger County, ND.

I told that story one day on a radio show when I was asked about my heritage. And somebody called in and said, ''Isn't it lucky that we did not have a welfare program at the turn of the century, because Caroline never would have left St. Paul; she would have stayed there and stayed on welfare.'' I said, ''Well, who do you think gave Caroline the land when she homesteaded 160 acres in Hettinger County, ND? The Federal Government.''

The Homestead Act said what we are trying to say in this welfare bill. We want to help those who are willing to help themselves. It was good policy then. It is good policy now.

I hope that in the name of Caroline—and in the name of children across this country—and in the name of common sense we will pass a welfare reform bill that is a bipartisan effort to understand that this Senate needs to do what is right to address one of the vexing problems of the day.

Mr. President, thank you for your indulgence.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from Nebraska.

Mr. EXON. Mr. President, the Senator from Connecticut is patiently waiting. About how much time does the Senator need?

Mr. DODD. I do not know. I see my colleagues from Pennsylvania and New Mexico. I can wait.

Mr. DOMENICI. How much time would the Senator like?

Mr. SANTORUM. Five minutes.

Mr. DOMENICI. I yield 10 minutes.

The PRESIDING OFFICER. The Senator is recognized for up to 10 minutes.

Mr. SANTORUM. I thank the Senator from New Mexico.

Mr. President, I want to respond to the speeches about the Work First Act.

This is, from what I can tell, an 800-page amendment that has been submitted without giving anyone on the other side a preview of that amendment, or any kind of opportunity to review an 800-page document. We were handed a background brief which is on one side of the paper. I think it is five or six pages of one-sided paper with fairly big type. It is not much information. There are, in fact, a lot of questions about the exemptions that are provided for to

the rules that sound very good but like previous bills that I have seen come from the Democratic leader, while the appearance, the facade, looks nice, there are a lot of holes in the floor for the people to drop through and stay in the current system, and, in fact, in the end the current system is alive and well after we have gone through great effort to pass something.

This bill does, from what I have seen—at least what they admit to in this background brief; I think ''brief'' is probably the applicable word here—there are essentially no time limits left. Under the Republican bill, under the bill that passed the U.S. Senate last year 87 to 12, there is a time limit on welfare. After 5 years, you are off AFDC; you had your time to, in a sense, get an education, get training, do job search, work, get that experience, and after 5 years the social contract was, in a sense, at an end.

That is important for the reason that we have to—just like all programs where you are dealing with people who are troubled and need to turn their lives around, it is important to set a time limit, some sort of goal, and some sort of time where people have to hit the wall. We provide in this bill, and we provide in the bill that we passed last year, a hardship exemption for those who were having a tough time still and realize, ''Hey, look, you are trying. You are still working.'' We allow a percentage of up to 20 percent of the people in the system to continue to receive benefits. Will they do that in this bill, in the Democratic substitute? In addition, people who hit the 5-year limit—everybody continues to receive vouchers which is, in a sense, a cash payment. They say, ''Well, it is vouchers for the children.''

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. I can tell you while there are vouchers for the children, the parents get the vouchers. The parents spend the money for the children.

I am happy to yield.

Mr. BREAUX. I thank the Senator for yielding because the Senator is making an incorrect statement. Under the amendment that I am going to offer, which I happen to have written, it is very clear that the vouchers do not go to the parent or to the children. They go to a third party. They go to the people who provide the services. They cannot be given to the parent by law. They do not go to the parent. They do not go to the child. They go to the person who provides the benefit, the clothing, or the food, or perhaps a 2-year-old child whose parent has been cut off of welfare.

I ask the question of the Senator. What would he say to a small child whose parent has been cut off of any assistance and that kid could not have the food? What does he say to that kid?

Mr. SANTORUM. I would say one thing. No. 1, under the Republican bill that family still is eligible for food stamps. That family is still eligible for food stamps; still eligible for other medical benefits and other kinds of welfare services. What they are not eligible for—and what your vouchers are replacing—is cash.

So what you are doing is taking a cash program and turning it into a services program that does not have to be used for food, and can be used—again, I have to apologize. There is not much detail in this thing. So I am groping a little bit for my own information. I appreciate the Senator's responding and filling it in. But what you are filling in for—you already have people qualifying for food stamps, you already have people who are continuing to qualify for Medicaid, you already have people who continue, if they are eligible today, to qualify for housing. None of that changes. What we eliminate is cash, and what you replace it with is pseudocash, which is in a sense the same thing.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Yes.

Mr. BREAUX. The Senator talks about food stamps. For the first time, you are taking the Food Stamp Program and, through block grants, States do not have to use their money for food stamps if they do not want to.

Mr. SANTORUM. We did in the bill, as we did in the bill that passed 87 to 12 on this floor, allow States the option to take a block grant for food stamps, the option which was again approved by 87 votes on this floor.

Mr. BREAUX. The question is: Is it not possible that the States do not have to provide food stamps for the child you are talking about if they do not want to?

Mr. SANTORUM. If they take the option for the block grant, they can design this program, which has to be approved by the Secretary, of course. I am sure there are going to be some limitations on that.

Mr. BREAUX. You are mandating.

Mr. SANTORUM. No. There is mandate. But I would suspect, knowing the Governors I have talked to on this issue, if they are going to come to the point where they are going to end cash assistance, they are not going to take food stamp benefits away. In fact, the Congressional Budget Office, when they scored our bill, in fact, provided for an increase in food stamp expenditures because of the reduction in the AFDC payment. Therefore, you have less income in the family and, therefore, they are eligible for more food stamps. So food stamps have actually a counterbalancing influence on the reduction of cash. That is provided for in our bill.

But I think the point is here what you are doing is continuing the entitlement which is continued in this bill, No. 1.

No. 2, what you are doing is allowing families to legitimately make an economic decision which they make today, which is not to work, to stay on welfare, and to be able to survive doing so.

What we want to do, except for those cases that are hardship, except for those cases where people are really trying in high-unemployment areas, have problems one way or another with their family and holding down a job—we are not talking about people who are disabled. People who are disabled are not even in the program. We are taking about able-bodied people who are capable of working. We are saying to 20 percent of those people, we are going to allow you to stay after 5 years because we know there might be situations where it is tough. But the rest of you, yes, we will have an expectation that after 5 years you can get a job. You should be able to hold that job.

Mr. BREAUX. Will the Senator yield?

Mr. SANTORUM. Yes.

Mr. BREAUX. Is that the Senator's premise of what he is trying to accomplish? Let me read a very short description of what a voucher program does, and tell me why he disagrees with it. It says a voucher provided to a family under this law shall be based on the State's assessment of the need of the child of the family. That shall be determined from the day of the subsistence need of the child; that it is effectively designed to appropriately pay third parties for shelter, goods, and services received by the child; and, third, finally, it is payable directly to such third parties.

If a State decides to have a 24-month termination of a parent because they do not follow the rules, what is wrong with this provision taking care of the needs of the child designed by the State to take care of the needs determined by the State to be payable to a third party on the subsistence needs of the child? If they talk about food stamps, it would not qualify under this.

We are talking about assistance needs of the child. Food stamps would include food.

Mr. SANTORUM. Sure. I can respond. Again, it is very hard to respond because you may be looking at the bill. I just got it.

Mr. BREAUX. We got it this morning.

Mr. SANTORUM. That bill came through the Finance Committee. You are on that committee. You saw it when it came through that committee. You had the markup when this came through the committee. You have the markup document before you, No. 1. No. 2, let me just say that what you say here again in your description is to provide non cash aid; maintain a minimal safety net for the children.

Who determines that in your bill?

Mr. BREAUX. The State.

Mr. SANTORUM. The State determines the minimal safety and the Federal Government has no oversight?

Mr. BREAUX. Let me read it again. A voucher provided to a family under this law shall be made on the State's assessment of the need of the child—not the Federal Government, not Washington, but the States.

Mr. SANTORUM. This is an optional voucher program.

Mr. BREAUX. It is a voucher of 5 years, optional on behalf of the State. The cutoff in less than 5 years is mandatory on the part of the child.

Mr. SANTORUM. If it is less than 5 years, and the people are not working, this is a difficult——

Mr. BREAUX. Not the parent. The parent gets zero under my amendment. We are talking about a child maybe 2 years old that cannot work.

Mr. SANTORUM. Or a child 16 years hold who can work.

Mr. BREAUX. Or a child 3 years old who cannot work.

Mr. SANTORUM. Or a child 17 years old who can. We can go back and forth. But the fact is we are talking about all children; that is, under 18. The point I am trying to make is, the question I am trying to have answered here is, if it is under five years, you mandate that the State provide a voucher to someone who is unwilling to work.

Mr. BREAUX. If it is less than 5 years and the parent is cut off, the child, as determined by the State, has to receive a voucher to provide the subsistence needs of that particular child.

The PRESIDING OFFICER (Mr. KEMPTHORNE). The Senator's time has expired.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. In part of this dialog some 4 minutes ago, the question came up on block grants for food stamps. I might say the Republican bill before us here says the State has the option, but I would suggest that you read further, because it says that 85 percent of that money, if they choose to block it, must be used for nutrition. I believe that is correct in terms of the underlying bill.

I am going to yield now. We should be moving to the other side. Might I ask Senator EXON, does the Senator know how many more speakers there are on the Democratic substitute?

Mr. EXON. There is the Senator from Connecticut and there is myself and the Senator from Louisiana, so that is three.

Mr. DOMENICI. And how much time is remaining?

The PRESIDING OFFICER. The Senator from Nebraska controls 17 minutes, 21 seconds; the Senator from New Mexico controls 27 minutes.

Mr. DOMENICI. I yield the floor.

Mr. EXON. Mr. President, the Senator from Connecticut would be next. How much time does the Senator from Connecticut need?

Mr. DODD. I see one of the authors, my colleague from Louisiana, so I will try about 7 minutes or so.

Mr. EXON. I have some time that I can yield off the bill.

Mr. DODD. I thank my colleague. Ten minutes, if I can.

Mr. EXON. Ten minutes. I yield 10 minutes off the bill to the Senator from Connecticut.

The PRESIDING OFFICER. The Senator from Connecticut is recognized for up to 10 minutes.

Mr. DODD. I thank the Chair. I thank my colleague from Nebraska.

Let me begin by thanking the Democratic leader, Senator DASCHLE, along with our colleague, Senator BREAUX, of Louisiana, and Senator MIKULSKI, of Maryland, who are the principal authors of this alternative. I commend them for it.

I draw my colleagues' attention to the exchange between our colleagues from Pennsylvania and Louisiana that comes to one of the critical elements as far as I am concerned. It is the critical distinction between what is being offered by the majority and what we are offering in the alternative. That is, Mr. President, the children.

I do not think there is any debate among us here about trying to get the adults from welfare to work. There are 2 million people out of roughly 275 million that we are going to put to work.

Let me begin by framing this in mathematical terms so people can get a conception in their minds of what we are talking about. We are a nation of some 270 million people, thereabouts. What we are talking about is Federal welfare, aid to families with dependent children. There are 13 million people in the United States on AFDC, aid to families with dependent children, out of a nation of 270 million. Of that 13 million, Mr. President, 4.1 million are adults and 8.8 million of that 13 million are children under the age of 18. And 78 percent, almost 80 percent of that 8.8 million are under the age of 12; roughly 50 percent of that 8.8 million are under the age of 6.

I do not think the debate here is about whether or not we can take 2 million of the 4 million adults out of a nation of 270 million and put them to work. That we all agree on. What this side of the aisle has so much trouble with and why there is such a fundamental disagreement here relates to the 8.8 million children—80 percent of whom are under the age of 12. People who are 16 or 17, I presume they are almost adults; they can work. But I do not know of anyone, Mr. President, regardless of ideology or political persuasion, who is going to look into the eyes of a child and say, ''I am sorry. Because your parent did not get a job, because the recession happened, because there were not enough jobs, you are out of it. We cannot help you any longer.''

I do not understand that sort of approach. It would break a tradition in this country, regardless of party and political persuasion, that has existed for more than a half a century. We have said, when it comes to America's kids, the circumstance they are born into is none of their doing. It is none of their doing. And yet if a 6-year-old child is starving, is hungry, we ought to find subsistence help. That is what my colleague from Louisiana was just talking about, some form of subsistence assistance for them.

Mr. President, I am going to focus these brief remarks on the children. I do not make any argument about whether we want to make it 2 years or 5 years to get people off of welfare to work. I'm talking about roughly 2 million or 4 million of 270 million. I figure we ought to be able to figure out how to do that.

I am really concerned about these infants and children. We see under the proposal offered by the majority that we do not have health and safety standards for child care if the parents go to work. These children under the age of 12 who are going to need a child care setting. Yet the bill eliminates today's health and safety standards for child care settings.

We have standards for automobiles that must be met, emission controls that must be met. We have standards for pets in this country that must be met. For the life of me, I do not understand why we will not have health and safety standards for America's children in a child care setting. What is so radical or outrageous about saying that on basic health and safety, children who are put into a child care setting ought to have that minimum guarantee.

I will offer an amendment, assuming—I hope it is not the case—that the Democratic alternative is rejected, to try to correct that situation on health and safety standards. I am hopeful my colleagues will support it.

Senator HATCH and I, 6 years ago, wrote the child care legislation and included health and safety standards, and we have worked with it pretty well over the last 6 years. It is not in this bill. I would urge that we put it back in. The Democratic alternative does that. We have in our bill a minimum requirement that would require quality of child care.

If we are saying to these parents, which we should, we want you to get to work, and we want you to be self-sufficient. Then we have to say that when these children are being cared for, there is going—Mr. President, I am having a hard time even hearing my own self speaking.

The PRESIDING OFFICER. The Senator will suspend.

The Senate will come to order.

The Senator from Connecticut.

Mr. DODD. I thank the Chair.

So, Mr. President, the health and safety standards, the quality of our child care settings, again, this ought not be a question of partisan disagreement here. As I said, if we are going to have quality controls on automobiles and pets, then we ought to do it for child care settings. If you try to place your pet in some place over the weekend when you go on your vacation, there are standards for where your pet is kept. And yet this bill says that the standards where you place your child 8 hours a day as you go to work are not required.

I do not know why this ought to be the subject of partisan disagreement, and yet it is. And so when you talk about welfare reform, it is critically important that health and safety standards and quality be included. We will offer alternatives in that regard.

I also want to emphasize the point that the Senator from Louisiana just made to our colleague from Pennsylvania about a voucher system at the end of 5 years or 2 years. In my view, you can put any level you want on it. My concern is, what happens to the kids at that point? What happens to those children at the end of 2 years? For some of the adults, let us assume they will be going off to work. But let us assume for a second they cannot. What happens to those kids? You cut off the parents. OK, I do not like that, and I think you have a problem with that. But for the life of me, why would you say to the child, you lose.

The voucher system here provides the safety net. And, of course, under the bill offered by the majority, in fact, it is mandatory—mandatory—there be no voucher system. It specifically prohibits it. It does not even give the State the option. It mandates that no voucher exist at all.

I do not understand that. I do not understand that at all.

Mr. SANTORUM addressed the Chair.

Mr. DODD. Let me, if I can, finish my remarks, because time is brief here, and then I will be glad at the end, if I do have an extra minute, to yield to my colleague.

The proposal offered by the distinguished Senator from South Dakota and the Senator from Louisiana offers a safety net for children that I urge my colleagues to look at. The voucher system that allows for that safety net for children.

The same on the food stamp issue that has been raised earlier. Again, by block granting it, you run the risk in certain States, because the political will is not there—and my colleagues know as well as I do that can happen—then the food stamp issue is also lost.

I hope that is not the case. I heard my colleague from Pennsylvania earlier say he did not think that would happen. I hope he is right. But I do not know why we cannot require some safety net so all of us on a national level know these children are not going to be adversely affected.

One of the other provisions that has not been the subject of much debate is the penalties imposed by the majority's proposal. We are told by the Congressional Budget Office that many States will not be able to meet the criteria laid out in the legislation, the standards here, and that in fact they will be imposing penalties of 5 percent of the assistance they will be receiving under this bill in the first year. Then it is cumulative. Whatever that number is, the penalty the first year, if there is a penalty the second it is 5 percent on that number. The point is, as has been pointed out by some of our Governors, this is an unfunded mandate, because that falls on the States, on local taxpayers. One estimate from one Governor is it may be as much as $12 billion in an unfunded mandate on the States as a result of the penalties being imposed if States do not get the numbers of people to work in the timeframe they are required to under our legislation.

Again, I assume most of the States will try to get it done, but I think all of us know what happens when a recession or other economic difficulties hit. For one reason or another, the States would not meet those standards and the penalty is imposed. Then it gets cumulative thereafter. We collect that back. So that is, in effect, a tax, an unfunded mandate on the States. And I am looking specifically at our colleague in the chair because he authored very effectively, at the very outset of this Congress, a very successful piece of legislation on unfunded mandates. I urge him to look at this, because Governor Carper of Delaware and others at the Governors Conference raised this issue included in the majority bill, and I do not think any of us would like to see an unfunded mandate imposed as a result of this legislation despite our activities earlier in this Congress.

I end where I began here. My concern is about these children, these kids.

I ask unanimous consent I be able to proceed for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. My concern is children. Again, on the health and safety standards, on the quality, on the vouchers and food, it seems to me we ought to try to correct these mistakes. Again, remember, we are talking about putting 2 million adults out of 4 million adults on welfare to work over the next 5 years, out of a Nation of 270 million people. Of the 8.8 million children on welfare, 80 percent are under the age of 12, 50 percent under the age of 6—of the 8.8 million. We ought to be able to say to those infants and those children that there is a safety net here. We are going to try to see to it that your parents go to work, but for whatever reason if they are unable to do it, no matter what we do to them, you are not going to be adversely affected by this. That ought not to be that hard to do. I do not understand why we cannot find common ground on that issue as we try to achieve the goal of putting people, adults on welfare, to work without jeopardizing the children. That is the simple question.

Can we not write a bill, can we not come together and write a bill that puts people from welfare to work and does not adversely affect infants, infants in this country who I think will be hurt as a result of the legislation, if adopted unamended, as the majority has presented it?

Mr. President, I see my colleague from Pennsylvania standing. I will be glad to ask for an additional minute if he wanted to ask me a question, or maybe my colleague from New Mexico would.

The PRESIDING OFFICER. The time of the Senator has expired. Who yields time?

Mr. DOMENICI. How much time do we have?

The PRESIDING OFFICER. The Senator from New Mexico has 27 minutes, the Senator from Nebraska, 17 minutes.

Mr. DOMENICI. I yield 3 minutes to the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I do have a question of the Senator. Let me state something first. I stated before in my opening comments that the Senator from Connecticut and the Senator from New York said and repeated that what they care about is the children. I suggest the current system reflects that all the care that has been expressed for children, here, has not panned out into a reality that children are cared for. That is the real issue.

We can all care about children. The question is, are children cared for and by whom? What we are trying to do here, in this bill, is to make sure, not that we feel good about caring for children—I am sure the Senator from Connecticut knows that everybody in this Chamber cares for children; that is not the issue, to measure our care—it is to measure whether children are cared for and by whom.

What we do here in our bill is to try to rebuild a culture that has been systematically destroyed by the welfare system to make sure that there are families to care for children; that there are communities where children are safe again. As long as you continue the welfare entitlement, the dependency structure of unlimited welfare, you will not get care for children. You will not get caring neighborhoods. You will not get caring communities. You will not have stable families. It is a reality. You are looking at it today. That is why we are here.

Mr. DODD. If my colleague will yield?

Mr. SANTORUM. I just ask this question of my friend from Connecticut. Does your bill create a day care entitlement?

Mr. DODD. No.

Mr. SANTORUM. You say in your bill that ''all children will receive day care.''

Mr. DODD. No, we block grant——

Mr. SANTORUM. You say all children will receive day care. I will read from it. ''To help recipients get and keep a job, child care will be made available to all those required to work.'' That sounds like a quasi-entitlement.

Mr. DODD. If the parents go to work, we are trying to provide a setting for those children in that situation. Rather than have them go onto the streets, there is some child care setting for them.

Mr. SANTORUM. As the Senator from Connecticut knows, under the Republican bill before you, we spent $4 billion—''b'' billion—$4 billion more on child care than under current law and almost $2 billion more than what the President believes he needs for day care. So we spend a lot more money. The question——

Mr. DODD. The Senator did not hear me suggest I was going to offer an

amendment to add additional funds for child care. I said health and safety standards. And I appreciate the fact we are going to be able to get more on child care. I say to my colleague, it will probably be inadequate. If, in fact, we get everybody to work, the money there will not provide for the child care needs for those families. I do not think anybody will tell you that it would be adequate. But I appreciate the fact there is more money and I appreciate the fact the Senator from Delaware, who is the chairman, is responsible for that.

Mr. SANTORUM. I ask for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. The second question is on the vouchers issue, and the Senator from Louisiana, while he responded to a question was not responding to my question. He was responding to the provision in his amendment, not the provision in the amendment before us.

You suggest the Republican bill forbids vouchers after 5 years.

Mr. DODD. Right.

Mr. SANTORUM. I am sure the Senator from Connecticut knows that what it forbids is Federal dollars to be used for vouchers after 5 years. States can give vouchers using their own dollars for an unlimited period of time. Obviously, if they do not, if they use their money—there is a discrete amount of money here. What we are saying is you have to focus that money on the 5 years. If you want to extend beyond the 5 years, then use your own dollars.

Conversely, what you would say is, look, you can use our dollars after 5 years, which means you would necessarily have to take it out of the first 5 years. We do not think that money should come out of the first 5 years. We think there should be an intensive effort in 5 years, committing every Federal resource possible to that 5-year transition period, to get those people to work and not hold out money, Federal dollars, for a continuation of welfare into the future. That is the philosophical difference.

Mr. DODD. Let me respond, if I may, to my colleague. Two points. One, on child care, there is a cap on entitlements on the child care issue. I ask for 30 seconds.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. It is a capped entitlement on child care, so it will not be increased.

Mr. SANTORUM. It is a new entitlement?

Mr. DODD. Let me respond. You asked the question. Let me respond.

In regard to the issue of the vouchers, obviously the States and localities can do what they want. But we are talking about our Federal involvement here. We prohibit the use of the Federal funds, of our money, Federal money, if you will, to go for the voucher system. I just suggest that, if we are going to put people to work as we should, and if for some reason States are unable to meet those standards, then those children, whatever else you want to do with the adults, ought to have a safety net. The voucher ought to be a system they can use to provide for that safety net. We say that States ought to be able to provide that. The bill by the majority prohibits it. Obviously, we cannot stop a State from doing what it wants, but why would we prohibit them from using these moneys?

Mr. SANTORUM. I ask for 1 additional minute to respond.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. I would respond by saying, as the Senator from Connecticut knows, we are talking about originally 25 percent of the AFDC population, able-bodied AFDC population——

Mr. DODD. Four million.

Mr. SANTORUM. Yes—going into this system, increasing up to 70 percent over the next 5 years. Within that category, 20 percent are exempted for hardship. That means they can go beyond the 5 years and still receive Federal dollars after 5 years. We are talking about a limited number of people who are able-bodied, who have had 5 years, who are not designated by the State as hardship. That is not a high hurdle to get over.

Mr. DODD. I do not have any disagreement on that. On the adult side I have no disagreement. My focus is on the 8.8 million kids, 80 percent under the age of 12. That is the focus of my concern. My fear is the children are not being adequately protected at all.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. How much time does the Senator from Nebraska have left on the amendment?

The PRESIDING OFFICER. The Senator from Nebraska has 16 minutes, 15 seconds.

Mr. EXON. On the Daschle amendment.

The PRESIDING OFFICER. That is correct.

Mr. EXON. I yield 10 minutes to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana is recognized for up to 10 minutes.

Mr. BREAUX. I thank the Chair.

Mr. President, I think a lot of this is getting far more complicated than it deserves. It is a serious issue, but it is not that complicated. I think the work first amendment that has been offered by the distinguished Democratic leader, Senator DASCHLE, is a very good compromise. It is fair, it emphasizes work, and it sets time limits for people on welfare. It also, I think, however, is good for children. It is tough on work, but it is good for kids.

Welfare reform must be about getting a check by working as opposed to getting a check by not working. We all agree with that. Democrats have said very strongly that we believe that there should be time limits; that people should be required to work; that an unmarried mother should be required to live with an adult, in an adult family, with her own family, if that is possible, but with adult supervision; that we should have a time limit on how long someone can be on welfare. It cannot be forever.

Our amendment says there is a lifetime limit of 5 years, and a State has the option under our bill to set shorter limits if they want. My own State of Louisiana has been approved to set time limits for welfare as low as 24 months, 2 years.

But what I am talking about when we are talking about these vouchers for kids is that all of us believe that while we are being so tough on a parent, that we should not be tough on an innocent child and an innocent victim who did not ask to be brought into this world. What good do we do by telling a 2-year-old that we are going to throw him or her out without any help or assistance?

The voucher proposal which I have as an amendment to be offered later on simply says that if a State determines to terminate a person on welfare assistance in a period shorter than 5 years, that that State must use the Federal and State money that they have to help pay for essential needs of a child.

My amendment says that the State shall do an assessment of that child. They still determine the need of that child. The child may need diapers, the child may need medicine, the child may be older and need book supplies, good gosh, to go to school, which we all should support, or may need food because they are hungry and the Food Stamp Program is not adequate.

The State makes the determination of the need of that child, and then after they have made the determination, they determine vouchers for that child's benefits. The parent does not get it. Everybody wants to penalize the parent. The voucher does not go to the parent under my amendment. The voucher would go to the third party who is going to provide the essential needs for the child. Maybe it is a food supply organization, maybe it is a school, maybe it is a drugstore for medicine for the child. They would get the voucher under the State program, and they would take care of the needs of that child as determined by the State.

Is it too much for us in Congress to say to a State that we are giving most of the money to that you have to use those moneys to take care of children who are innocent victims while we are being so tough on the parent?

I support time limits of parents. I support making them go to work. I support making them be responsible and live with an adult if they are going

to receive AFDC assistance. My gosh, can't we be, in this great country of ours, with the economic benefits that we all participate in, strong enough also to say we are going to somehow protect the needs of innocent children?

We are close on this. It should not be a big disagreement. After 5 years, we say we allow the State to do it, but the Republican proposal forbids it. Why, if the State wants to do it, can they not use the block grant money they get to do this? If the State sees a child that they think is in need, why should we not at least allow the State, under this wonderful block grant concept, to provide vouchers for children after 5 years if the State wants to do it with the block grant money that they get? Yet, the Republican bill forbids it.

I think that is too extreme. Let the State make the decision. If the State wants to forbid it, all right, let them do it. But if the State wants to do it with the block grant money they are getting, allow them to do it. Then, if it is less than 5 years, if they want to cut off the assistance to a parent in 2 years or 3 years or 4 years, we think that the moneys that Washington and the States are providing together should at least be used to take care of the child while we are being tough on the parent.

Mr. GREGG. Will the Senator yield?

Mr. BREAUX. All this should be about putting work first but not children last.

Mr. GREGG. Will the Senator yield?

Mr. BREAUX. Yes, I yield.

Mr. GREGG. Is it my understanding that in your proposal, the States are mandated to use the vouchers during the 5 years, permitted to use vouchers after 5 years.

Mr. BREAUX. I will answer the Senator, who has a distinguished career as Governor back in his State, it says that a State, based on their determination of the need, if the child does not need it under the State determination, the State does not have to do it, if it is a 2-year time limit, 3 years or 4. But if the State, in their determination, sees a child who has a need that is not being met, then the State must have a voucher. If the State finds that child is being taken care of with other programs or through a parent, aunt, uncle or grandfather, there is no need there. The State makes the determination.

Mr. GREGG. If I may continue this question, basically what you are saying, then, is the State is required to use the voucher for a child up to the 5 years.

Mr. BREAUX. That is incorrect.

Mr. GREGG. The State identifies the need.

Mr. BREAUX. The question the Senator is posing is an incorrect statement in the sense it does not require the State to give a voucher to a child whose parent has been cut off from welfare for less than 5 years. It would only require it if the State first makes a determination that the child has a need. The State makes that determination.

Mr. GREGG. That differs from the pending legislation. The pending legislation leaves it up to the State to make that decision during the 5-year period; is that correct?

Mr. BREAUX. I think the Senator is correct.

Mr. GREGG. And then you are saying that after the 5-year period, the States would be given the flexibility to continue the voucher, but even if there was a need at that time, it would be identified by the State, it would not be required.

Mr. BREAUX. That is correct.

Mr. GREGG. So, essentially, you are putting the State in this position—as the bill is presently structured, you are taking that language and moving it into the post-5-year period, and then for the pre-5-year period, you are requiring that the payments be made for need—

Mr. BREAUX. As I understand the Senator's question—let me try and restate it as simply as I possibly can.

Under the Breaux voucher amendment that will be offered, for a family that is cut off from welfare after being there for 5 years, it would allow the State to use their block grant funds to provide vouchers to a child if the State determines that there is a need for assistance for that child.

If the State has a shorter period than 5 years—2 years, 3 years, 4 years, what have you—based on the State's assessment of the need of that child, the State decides there is a needy child here, then the State is required to use block grant funds to help that child. They determine how much; they determine where to spend it. It does not go to the parent. It does not go to the child. It goes to a third-party provider.

Mr. GREGG. Which I guess leads to the point I wanted to ask about, which is that if you are essentially using the logic of this bill for the post-5-year period, why not use it for the pre-5-year period also?

Or to state it another way, you said in your statement that it made no sense to you that people wanted to give flexibility to the States; they would not allow the States that flexibility after a 5-year period to spend the voucher. Doesn't that same logic apply to the pre-5-year period?

In other words, shouldn't the State flexibility remain for the pre-5-year period as well as for the post-5-year period? Why should the Federal Government come in and direct the States to do it?

Mr. BREAUX. I will respond to the Senator in this way.

I would like to, but politically I do not think it is possible to do it, to say that when you have a block grant fund going to the State, and the State has made a determination that there is a needy child out there, the State be required to use those funds to take care of the needs of the child at any point, 5 years, 2 years, or 3 years, either one. I just do not think that is politically possible to do.

Mr. GREGG. Well, I appreciate the Senator's courtesy of yielding to me for these questions. If the logic of the Senator's position is correct—and I think there is a lot of attractiveness to the Senator's logic in the post-5-year-period—if this bill, as it is presently structured, basically takes that logic and applies it to the pre-5-year period, would not the Senator's amendment be a lot stronger and consistent, if the Senator would essentially use his language for the post-5-year period, but not change the language for the pre-5-year period to create a mandate on the States which is going to put the States in a position of basically being instructed as to how to govern the welfare system in that 5-year period?

Mr. BREAUX. I respond by saying I offered that in the Senate Finance Committee. I think it may have lost on a tie vote. I tried it once. I think I will try to get something that will pass the Senate and narrow it down to one. The bottom line is very simple.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. BREAUX. Mr. President, I ask for 2 additional minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BREAUX. I thank Senator EXON for yielding the time.

What I am trying to accomplish—and I do not think anybody on the Senator's side is being cruel with children or anything. I think that there is a great deal of sympathy on both sides. I say to the Senator, what I am trying to do is say to the States that are getting Federal money with their State money, if the State looks at their population and the State sees children who are being put in need because we have cut off their parent, that we should use funds to take care of the needs of those children.

The State determines what the need is. The State determines how to help that child. The State determines whether to help that child or not. They can make a decision this child does not need help. But if the State makes a decision that there is a child in need, and he has been put in need because the parent has been cut off of welfare assistance, that we should have a requirement that they use Federal and State funds to take care of that need.

How much they do is left up to the State. How they do it is left up to the State. But, by gosh, we have an obligation here to say that we are not going to let children go hungry or uncared for. I think the Senator's side should agree with that. I think that many do.

Mr. GREGG. If the Senator would yield for an additional comment.

Mr. BREAUX. Yes.

Mr. GREGG. I simply state that the question and the point I make is that the Senator's amendment is, on its face, inconsistent because in the first 5 years it puts mandates on the States, the second 5 years it gives the States flexibility. I think the flexibility part is very refreshing.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. How much time remains on the Democratic side and how much on our side?

The PRESIDING OFFICER. The Senator from Nebraska controls 4 minutes 50 seconds. The Senator from New Mexico controls 20 minutes 14 seconds.

Mr. DOMENICI. I want to say to the Senators on our side, the chairman of the Finance Committee, Senator ROTH, wants to speak for a few moments, and I want to speak for a couple. Then we want to yield back our time and have a vote. Obviously, the Senator has a few minutes left, Senator EXON.

Before I proceed to ask Senator ROTH if he would like to speak, may I clarify for those who are going to vote shortly.

I say to the Senator from Louisiana, his discussion was about an amendment the Senator proposes to offer; is that correct?

Mr. BREAUX. I respond to the Senator by saying that we have been talking about a little of everything here, but most of the comments have been about the Breaux voucher amendment.

Mr. DOMENICI. The Breaux voucher amendment will not be before us when we vote here in about 10 or 15 minutes. The Senator intends to offer it later on, as I understand it.

Mr. BREAUX. I also answer to the Senator, for clarification, the work first also has a voucher plan for children in it.

Mr. LEVIN. Mr. President, the Nation's current welfare system does not serve the Nation well. It has failed the children it is intended to protect and it has failed the American taxpayer. I am hopeful that the debate in the Senate will ultimately result in a constructive bipartisan effort which will finally end the current system and achieve meaningful reform.

Meaningful reform will assure that children are protected, that able-bodied people work and that child support enforcement laws are effective in getting absent parents to support their children.

One challenge is to seek genuine reform of welfare without abandoning the goal of helping children. The Daschle work-first bill fundamentally changes the current welfare system by replacing unconditional, unlimited aid with conditional benefits for a limited time.

Under the work-first bill, in order to receive assistance, all recipients must sign a contract. This contract will contain an individual plan designed to move the parent promptly into the work force. Those who refuse to sign a contract won't get assistance and tough sanctions apply to those not complying with the contract they sign.

The underlying legislation requires people to work within no more than 2 years. Why wait that long? Why wait 2 years? Unless someone is in school or job training, why wait longer than 3 months to require that a person who is able bodied either have a private job or be performing community service.

I have long believed that work requirements should be applied promptly. The Daschle amendment contains language which I will offer as an amendment to the underlying bill, if the Daschle substitute fails which requires that recipients be in training or in school or working in a private sector job within 3 months, or if one cannot be found, in community service employment. Within 3 months, not 2 years. The requirement would be phased in to allow States the chance to adjust administratively and would allow for a State to opt out.

Last year, the Senate-passed welfare reform bill contained this provision, added as an amendment which I offered with Senator Dole.

Experience has shown we must be more aggressive in requiring recipients to work. But, as we require recipients to work, we must remember another important part of the challenge facing us: that fully two-thirds of welfare recipients nationwide are children. Almost 10 million American children—nearly 400,000 in Michigan alone—receive benefits. We must not punish the kids.

I am hopeful that the 104th Congress is on the road to finding a way to get people off welfare and into jobs, in the private sector, if possible, but in community service, if necessary; make sure that absent parents take the responsibility for the support of their children; and do these things without penalizing children—that way, I believe, is the work first plan offered by Senator DASCHLE.

I congratulate Senator DASCHLE, Senator MIKULSKI, Senator BREAUX, and the many others of my colleagues who have worked on the Daschle work first bill.

The work first bill is tough on getting people into jobs, but it provides the necessary incentives and resources to the States not only to require people to work, but to help people find jobs, and keep them.

Mr. President, I have focused on getting to people to work. However, there are other elements of positive welfare reform that I support. The number of children born to unwed teenage parents has continued to rise at unacceptable rates. We all recognize the need to do something about this and to remove any incentives created by the welfare system for teenagers to have children. I support teen pregnancy prevention programs with considerable flexibility for the States in implementation.

We know, however, that the problem of teen pregnancy and unwed teenage parents will not be completely or easily eliminated. I strongly support provisions which require teen parents to continue their education or job training and to live either at home, with an adult family member, or in an adult-supervised group home in order to qualify for benefits.

Another key element of any successful welfare reform plan will be assuring that parents take responsibility for their children. We must toughen and improve interstate enforcement of child support. I support provisions to require cooperation in establishing the paternity of a child as a condition of eligibility for benefits, and a range of measures such as driver's license and passport restrictions, use of Federal income tax refunds, and an enhanced data base capability for locating parents who do not meet their child support obligations.

The Daschle amendment which is before us addresses these and other problems. It ends the failed welfare system and replaces it with a program to move people into jobs, to guarantee child care assistance, to assure that parents take responsibility for the children they bring into the world, and does so without penalizing the children.

Mr. President, the bill before us is an improvement over the bill which the President vetoed last year, which was inadequate in many ways, including its failure to protect children. However, the bill can still be improved. In my judgement, the Daschle amendment does a better job by putting people to work more quickly and by doing a better job of protecting innocent children. I intend to vote for Senator DASCHLE's work first welfare reform plan. I urge my colleagues on both sides of the aisle to lay partisanship loyalties aside and to join in an effort to finally end the current system and achieve meaningful reform.

Mr. DOMENICI. I yield 5 minutes to the chairman of the Finance Committee.

The PRESIDING OFFICER. The Senator from Delaware is recognized for up to 5 minutes.

Mr. ROTH. Mr. President, the American people should heed the old advertising slogan ''accept no imitations.'' The work first amendment is a well-named imitation of welfare reform. But real reform must have some very basic provisions. It must have real and workable time limits. It must bring closure to entitlement programs. It must not engender dependency and allow multigenerational abuse of the system. Real reform must require able-bodied individuals to work. It must offer flexibility and authority to State governments to be innovative and effective in meeting the needs of their people.

While work first has the benefit of good advertising, it is an imitation. Work first has no real time limits. Work first has no real requirements for people to work. Work first lacks the specific, concrete requirements needed for reform. Rather, work first appears to be more of the same. It does not extend real authority to the States. It offers waivers. It grandfathers existing waivers and intends to expedite the process.

The Governors have had their fill of waivers. To them, work first is business as usual with Washington bureaucrats dispensing authority one drop, one waiver at a time. But waivers, Mr.

President, are not welfare reform. And for requiring individuals to work, work first offers something called parent empowerment contracts. These sound great. And I have much interest in that concept. But we do not know much about them other than intensive job search is required. This is all we know, and that they are designed to move the parent into the work force as soon as possible.

For real reform, Mr. President, this rhetoric is simply too vague. I might say, that the Governors have real concern about these contracts. They are concerned that they will be provocative of much litigation for those who would seek to impose obligations on the States because of these contracts.

But in any event, real reform must be concrete. As I said, it must have time limits and a bottom line. To create incentives in the hearts and minds of people moving off welfare rolls, they must know that Washington and their State governments are serious. Their behavior must change.

Last year the General Accounting Office reported that between 1989 and 1994 the Federal and State governments have spent more than $8 billion through the job program. The GAO told Congress that we do not know what progress has been made in helping poor families become employed and avoid long-term dependence.

Real reform must change behavior and foster policies that encourage men and women to make correct choices. Work first attempts to attract support by offering false choices in regard to teen parents, child care, and transitional Medicaid benefits. Make no mistake about it, the Republican welfare bill includes all of these items.

Mr. President, I oppose the amendment. It is time for welfare reform. It is time for the real thing. I yield back the balance of my time.

The PRESIDING OFFICER. Who yields time?

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. EXON. Mr. President, may I inquire as to whether or not the yeas and nays have been requested on the Daschle work first amendment?

The PRESIDING OFFICER. The yeas and nays have not been requested.

Mr. EXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. EXON. Mr. President, I think we are trying to bring this debate to a close. The Senator from Nebraska has been yielding time now for 2 or 3 hours. I wish to address this briefly myself, not hash over other ground. I understand that the Senator from Connecticut may wish some time. Is that correct?

Mr. LIEBERMAN. I thank the Senator from Nebraska. If it is possible to speak for up to 5 minutes, I would be grateful.

Mr. EXON. I will be glad to yield 5 minutes. Then I will take 3 or 4 minutes. I believe that will be the end of the debate on this side. Then maybe we can get some agreement to proceed to a vote.

The PRESIDING OFFICER. The Senator from Nebraska controls 3 minutes 42 seconds.

Mr. EXON. As soon as the manager of the bill finishes his statement, I will yield 5 minutes off of the bill to the Senator from Connecticut. Then I will use the last 3½ minutes.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Let me just say, the 800-page amendment is subject to a point of order, which I do not want to make. However, if we cannot vote in about 15 minutes—I have a couple of Senators who will not be here for a little while—I will need to make a point of order on this matter.

Could we agree right now on how much time we will use, Senator, and then vote?

Mr. EXON. I have agreed to give 5 minutes to the Senator from Connecticut. I think I have 3½ minutes left on the bill, for a total of 8½ minutes.

Mr. DOMENICI. I will wrap it up with 3 minutes. That makes 11 minutes.

The PRESIDING OFFICER. That is 11½ minutes.

Mr. DOMENICI. I ask unanimous consent that in 11½ minutes there be a vote, and the time be distributed as we have indicated.

Mr. CONRAD. Reserving the right to object, I would like 2½ or 3 minutes, if I might be part of the queue.

Mr. EXON. Mr. President, in order to accommodate everyone, the manager of the bill will agree to put my statement in the RECORD. I yield whatever time I had to the Senator from North Dakota.

The PRESIDING OFFICER. The Senator from North Dakota would have 3½ minutes.

Is there an objection to the unanimous consent request?

Without objection, it is so ordered.

The Senator from Connecticut is recognized for 5 minutes.

Mr. LIEBERMAN. I thank the Chair. I thank my friend from Nebraska for yielding.

I rise to support the work first amendment, which I think is balanced and valuable in the sense of expressing the values of the American people's statement on the problem of welfare. It is genuine reform. It targets and puts the pressure on those who should feel the pressure. That is the parents who are on welfare. It does what I think the American people, in the best expression of our values, want us to do, and that is to protect the children and not punish the children who are the innocent victims of the current status quo.

As I look at the various proposals before the Senate, the underlying bill, the amendment we have put together, it seems to me there is so much in common that we ought to be able in the interest of those on welfare and the interest to the Federal Treasury and the interest of creating a welfare program in this country that truly expresses the values of the American people, to get together and make this happen. I still think there is time to send the President a good bill that he will feel in the fullness of his conscience that he can sign.

Mr. President, if we talk about welfare reform, I think we have to focus at its heart on the question of babies born out of wedlock. Particularly, of teenage pregnancy. Because so many of those on welfare—and the numbers are in the RECORD—are children and mothers of children who were born when the mothers were teenagers and unwed—an extraordinarily damaging epidemic that has swept this country, damaging to the young women whose future is hobbled and severely limited by the fact they have given birth to babies as teenagers, unmarried, and bringing into the world these children who are subjected to some of the worst imaginable conditions, with very little hope, born to a 12, 13, 14, 15, 16-year-old girl without a man in the house and living in poverty—what chance does that child have, on the average to make something of his or her life?

All the proposals here, including the work first proposal, contain a basic principle, which is that unmarried, minor moms are required to live at home or under adult supervision, and must stay in school or training in order to continue to receive welfare benefits. A great idea which I fully support.

Mr. President, I intend to offer two amendments which I think strengthen this battle against teen pregnancy. I saw a study last week that said that we spend $29 billion every year because of babies born to unwed mothers, a startling number. Think what we could do if we could prevent this from happening.

I have two amendments. The first one would require States to dedicate 3 percent of their share of title 20 social service block grants, which is an amount equal to $71.4 million, to programs and services that stress to minors the difficulties of becoming a teenage parent. Hopefully, these programs will infuse our children with a clear understanding of the consequences, let alone the immorality of bearing a child as a teenager who is unmarried.

The second amendment gets at a problem we have recently uncovered in our country, which is that a startling number of the babies born to teenage mothers are fathered by older men. This used to be something when I was growing up that we called statutory rape. It sort of went out of fashion to think of that in the age of widespread consensual sex, and none of the norms that used to exist. Very often in these cases it is not consensual. It is an older man forcing himself on a younger woman with drastic consequences for that woman and the baby.

My second amendment would appropriate $6 million, a small sum, to the Attorney General to direct a national program of training State and local prosecutors to revive and enforce statutory rape laws. It will also—and I think this may be the most significant part, as part of the certification procedure that is in the underlying bill, in which the Governor of a State has to certify that programs in his or her State to qualify for aid under the program—it requires the State to certify that there is within the State a program to reduce the incidence of statutory rape of minors by expanding criminal law enforcement, public education, and counseling services, as well as restructuring teen pregnancy prevention programs to include the education of men.

Mr. President, I hope one or both of these might be accepted as the day goes on, by the majority, because they are not presented in a spirit of partisanship. Obviously, this is a problem that is not partisan and is very human.

I thank the Chair. I thank my friend from Nebraska. I yield the floor.

Mr. EXON. Mr. President, I rise to support the Democratic work first substitute amendment to the budget reconciliation bill. As I observed in my opening statement, there is ample room for improvement in the Republican welfare reform bill. But there is also a great deal of common ground upon which we can build.

There is agreement that the current welfare system serves neither the recipients, nor the taxpayers. The cycle of dependency deepens with each new generation and is most discouraging. We agree that all able-bodied recipients should earn their daily bread. And we concur that assistance should be conditional.

I want to commend by colleagues on the other side for moving off of some strongly held beliefs and seeking the center. I believe that this new version of the Democratic work first welfare reform bill also reflects this same spirit of compromise and bipartisanship.

I argue, however, that the amendment before us today is preferable to the Republican plan. The sponsors of the amendment have spoken with great clarity and vigor about the differences between the two plans. Both give the States greater flexibility to administer welfare. But the Democratic work first plan does not accomplish it at the expense of innocent children who find themselves in the middle of this legislative crossfire.

I would hope that Senators on both sides would hold the line on protecting the safety net for children. The Democratic work first plan does that in three critical areas.

First, it provides for vouchers or noncash aid to children whose parents have exceeded a State's time limit on the welfare rolls. Depriving a child of life's necessities not only saps their strength; it weakens our spirit as a Nation as well.

Second, the Democratic plan provides for flexibility during times of recession. Who is hurt most in these times? The poor. Let's not make a bad situation worse.

And third, the Democratic plan does not provide for an optional block grant of food stamps. We should not be encouraging the States to lower aid even further.

There is great merit in both bills, but the necessary safeguards I have just outlined make this amendment the superior piece of legislation. I urge my colleagues to vote for it.

Mr. President, how much time do I have remaining?

The PRESIDING OFFICER (Mr. THOMPSON). There is 3 minutes, 20 seconds.

Mr. EXON. I yield 3 minutes and 20 seconds to the Senator from North Dakota.

Mr. CONRAD. Mr. President, I want to thank the able floor leader on the Democratic side on this legislation, Senator EXON, for giving me this time.

Mr. President, as a member of the Finance Committee I have been deeply involved in the formulation of this legislation, including the work first alternative that has been presented by Leader DASCHLE.

Mr. President, Senator LIEBERMAN has made the point well with respect to teen pregnancy. One of the epidemics we are facing in this country is an epidemic of teen pregnancy, children having children. One has to ask what chance does a child have who is born into a circumstance when the mother is 14 years old or 15 years old? We know the chances are limited. We know the results—dramatically increased chance of living in poverty, dramatically increased chance of living a life that is blighted by crime.

Mr. President, we also know what can help prevent that circumstance. We know that requiring the child to live at home and to stay in school is critically important. I remember very well the testimony before the Finance Committee by Sister Mary Rose, who works with Catholic Charities in Covenant House. She has dealt with literally thousands of young women in this circumstance. How do you prevent that young woman from having another child? She has found that if you can bring that young woman into a circumstance where there is warmth, love, discipline, and structure, almost without exception, those young women do not have another child.

Now, this legislation, work first, has $150 million for second-chance homes for those young women who cannot be at home, who face abusive situations at home. Some people can go home and that is appropriate and right, and that is what should happen. But in other circumstances, these girls who have had children really have no place to go. They have been in an abusive setting at home. The last thing to do is to send them back there. Yet, if we can structure a circumstance or an environment in which there is discipline, structure, and warmth, and there is a vision of a better future, these young people can have a chance. Sister Mary Rose told us very clearly that if we can structure a circumstance in which those elements were present, we could avoid the tragedy of increased teen pregnancy.

I hope my colleagues will support the bill before us.

Mr. DOMENICI. Mr. President, I just want to make one observation. The distinguished minority leader said, in explaining this bill, that with reference to the work requirements, he thought it was the equivalent of the Republican bill in that, in 2002, 50 percent of the participants would have to be working. Actually, we have had that analyzed and looked at, and because the bill uses different rules for establishing this percentage, we believe that it is more like 60 percent of what the Republican bill does. So it is in the neighborhood of 25 to 30 percent instead of 50. I believe that is a truism. Just a reading of what goes into the formula would indicate that it is clearly a different formula. Much more is included in their starting point than in ours. So if for no other reason, the amendment before us does not push the States to the same degree in turning this program into a workfare instead of a welfare program.

Whatever time I have remaining, I yield that back. I think we are ready to vote.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 201 Leg.]

YEAS—46

| | | |
|---|---|---|
| Akaka | Ford | Mikulski |
| Baucus | Glenn | Moseley-Braun |
| Biden | Graham | Moynihan |
| Bingaman | Harkin | Murray |
| Boxer | Heflin | Nunn |
| Breaux | Hollings | Pell |
| Bryan | Inouye | Pryor |
| Bumpers | Johnston | Reid |
| Byrd | Kennedy | Robb |
| Conrad | Kerrey | Rockefeller |
| Daschle | Kerry | Sarbanes |
| Dodd | Kohl | Simon |
| Dorgan | Lautenberg | Wellstone |
| Exon | Leahy | Wyden |
| Feingold | Levin | |
| Feinstein | Lieberman | |

NAYS—53

| | | |
|---|---|---|
| Abraham | Coverdell | Grassley |
| Ashcroft | Craig | Gregg |
| Bennett | D'Amato | Hatch |
| Bond | DeWine | Hatfield |
| Brown | Domenici | Helms |
| Burns | Faircloth | Hutchison |
| Campbell | Frahm | Inhofe |
| Chafee | Frist | Jeffords |
| Coats | Gorton | Kassebaum |
| Cochran | Gramm | Kempthorne |
| Cohen | Grams | Kyl |

| | | |
|---|---|---|
| Lott | Pressler | Specter |
| Lugar | Roth | Stevens |
| Mack | Santorum | Thomas |
| McCain | Shelby | Thompson |
| McConnell | Simpson | Thurmond |
| Murkowski | Smith | Warner |
| Nickles | Snowe | |

NOT VOTING—1

Bradley

So the amendment (No. 4897) was rejected.

Mr. D'AMATO. Mr. President, I move to reconsider the vote.

Mr. DOMENICI. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. CRAIG. Mr. President, I want to take this opportunity to speak today on the important yet controversial topic of welfare reform. As this Congress works through the rigors and challenges of welfare reform, I am reminded of my upbringing in Idaho, where I learned that charity begins in the home.

Having grown up in a rural western State, I can remember the days when the county clerks were the ones who handed out public assistance. Today that task has been assumed by the Federal Government and operated thousands of miles away from the recipient. Obviously, the war on poverty was launched with good intentions, but it has become a miserable failure. Unfortunately, the plight of the poor today is worse than it was before we began our massive assistance programs.

Since 1965, when our current welfare system was started, the American taxpayers have spent trillions of dollars—yes, trillions. The current budget is in the hundreds of billions and its growth continues to spiral upward. Incredibly, with this extraordinary growth in spending, the number of children living in poverty has also risen. We need real reform in the welfare system. Throwing unlimited money at this problem has proven not to be the answer.

Welfare spending was intended to provide a safety net for children, likewise to provide a hand up and out of poverty for those in need. What it has become is a way of life and not short term assistance.

With dramatic reforms and an emphasis on getting people into real permanent work situations, we can provide these children and their parents with a future. All one has to do is to look at the successes States are achieving that are already out there operating under waivers to the current policy. I would argue that these same States have done a much better job at designing programs to meet the needs of their people than has the Federal Government. It is just plain common sense that the State can identify problems quicker and develop solutions faster, as they can see the problems as they really are.

One of the ways these States are achieving successes is through block grants. Governors have supported this. Our Governor in Idaho supports this. We can provide block grants to the States and give them the flexibility to use funds in a variety of ways, including to supplement wages for those recipients who are working.

In closing, I support welfare reform. Everyone here supports welfare reform. We must find ways to overcome bipartisan differences in our efforts toward our single common goal—providing a helping hand up and out of poverty while preserving the dignity of those in need.

Mr. DOMENICI. Mr. President, I believe we are going to yield to Senator SPECTER for a resolution.

## EXPRESSING THE SENSE OF THE SENATE REGARDING THE TRAGIC CRASH OF TWA FLIGHT 800

Mr. SPECTER. Mr. President, I have consulted with the distinguished majority leader as to sequencing on a resolution relating to last night's crash of TWA flight 800, and this is a resolution which has, as I understand it, been cleared on both sides of the aisle.

Mr. DOMENICI. Could we have order, Mr. President.

The PRESIDING OFFICER. The Senate will come to order.

Mr. SPECTER. I thank the Chair.

Mr. President, this resolution relates to the disaster last night involving TWA flight 800 where 229 passengers were killed. As I have said, my distinguished colleague from Pennsylvania, Senator SANTORUM, and I have taken the lead on this because at least from preliminary indications, our State, Pennsylvania, has been hit the hardest. We are not yet sure about the passenger list, but from all indications the passenger list contained some 16 members of the Montoursville High School French Club and 5 chaperones.

I talked earlier today with Superintendent David Black and Principal Dan Chandler to get an idea of the impact on the community. They have commented that this group of students was a most extraordinary group, as shown by the fact that it was a specially planned trip to Paris, and these young men and women were among the best and the brightest.

Along with these 16 high school students were 5 chaperones, and I understand a recent report shows that two other Pennsylvanians were on board. Of course, passengers included people from all over the United States and doubtless beyond the United States.

So I offer this resolution expressing the sense of the Senate regarding the tragic crash of TWA flight 800:

Whereas, on July 17, 1996, Trans World Airlines Flight 800 tragically crashed en route from New York to Paris, France, creating a tremendous and tragic loss of life estimated at 229 men, women, and children;

Whereas, according to Daniel L. Chandler, principal of Montoursville, Pennsylvania High School, among those traveling on board this airplane were 16 members of the Montoursville High School French Club, who were among the very best students of the French language at their school, and five adult chaperones, who generously devoted their time to making possible this planned three-week French Club trip to Paris and the French provinces;

Whereas the actual cause of the airplane crash is as of yet unknown;

Whereas the federal government is investigating the cause of this tragedy; Now, therefore, be it

Resolved, That the Senate of the United States—

(1) expresses its condolences to the families, friends, and loved ones of those whose lives were taken away by this tragic occurrence; and

(2) expresses its sincere hope that the cause of this tragedy will be determined through a thorough investigation as soon as possible.

That is the text of the resolution. Beyond that, as has been reported publicly, it is unknown what the cause was. We have requested a briefing for Senators through the Intelligence Committee or Terrorist Subcommittee of Judiciary. We are awaiting final word on that.

Mr. President, I submit this resolution for consideration by the Senate and ask for the yeas and nays.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

A resolution (S. Res. 280) expressing the sense of the Senate regarding the tragic crash of TWA flight 800.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Ms. MOSELEY-BRAUN. Mr. President, last night TWA flight 800, on route from New York to Paris and then Rome, crashed into the Atlantic Ocean approximately 10 miles off the coast of Long Island. It does not appear that there were any survivors among the 228 passengers and crewmembers who were aboard.

My heart goes out to the family and friends of the victims of this tragedy. It is always hard to lose a loved one. It is particularly hard to lose a loved one in an unexpected, violent event such as last night's tragedy.

We do not yet know the cause of this terrible crash. We do not know whether it was accidental or intentional.

I do not believe that we should make assumptions at this time as to what happened last night. This is the time to collect the remains of the dead, to mourn their passing, and to begin to investigate the cause of this tragedy.

Rest assured, however, that this is an event that must be fully investigated. If last night's tragedy was intentional, we will find out who was responsible. If it was the result of a mechanical or electrical failure, we will find out the cause.

Every year, Americans take off and land 547 million times; 22 thousand flights take off every day in this country.

I am committed to achieving the highest possible level of safety for our Nation's airways. Yesterday's events point out that we need to redouble our efforts to ensure the safety of our travelers.

Air transportation is an integral part of the lives of millions of Americans, and we must do everything in our power to ensure that it is as safe as we can possibly make it.

We must do everything in our power to prevent future tragedies like the one that occurred last night.

My prayers are with the families and friends of the people aboard TWA flight 800.

The PRESIDING OFFICER. The yeas and nays have been requested.

Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the resolution. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] is necessarily absent.

The PRESIDING OFFICER (Mrs. FRAHM). Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 98, nays 0, as follows:

[Rollcall Vote No. 202 Leg.]

YEAS—98

| | | |
|---|---|---|
| Abraham | Ford | Mack |
| Akaka | Frahm | McCain |
| Ashcroft | Frist | McConnell |
| Baucus | Glenn | Mikulski |
| Bennett | Gorton | Moseley-Braun |
| Biden | Graham | Moynihan |
| Bingaman | Gramm | Murkowski |
| Bond | Grams | Murray |
| Boxer | Grassley | Nickles |
| Breaux | Gregg | Nunn |
| Brown | Harkin | Pell |
| Bryan | Hatch | Pressler |
| Bumpers | Heflin | Pryor |
| Burns | Helms | Reid |
| Byrd | Hollings | Robb |
| Campbell | Hutchison | Rockefeller |
| Chafee | Inhofe | Roth |
| Coats | Inouye | Santorum |
| Cochran | Jeffords | Sarbanes |
| Cohen | Johnston | Shelby |
| Conrad | Kassebaum | Simon |
| Coverdell | Kempthorne | Simpson |
| Craig | Kennedy | Smith |
| D'Amato | Kerrey | Snowe |
| Daschle | Kerry | Specter |
| DeWine | Kohl | Stevens |
| Dodd | Kyl | Thomas |
| Domenici | Lautenberg | Thompson |
| Dorgan | Leahy | Thurmond |
| Exon | Levin | Warner |
| Faircloth | Lieberman | Wellstone |
| Feingold | Lott | Wyden |
| Feinstein | Lugar | |

NOT VOTING—2

| | |
|---|---|
| Bradley | Hatfield |

The resolution (S. Res. 280) was agreed to.

The preamble was agreed to.

Mr. SANTORUM. I move to reconsider the vote.

Mr. FORD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

The Senate continued with the consideration of the bill.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 4901

(Purpose: To ensure that welfare recipients are drug-free as a condition for receiving welfare assistance from the American taxpayers)

Mr. ASHCROFT. Madam President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Missouri [Mr. ASHCROFT] proposes an amendment numbered 4901.

Mr. ASHCROFT. Madam President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike existing Section 2902, and replace with the following:

**''SEC. 2902. SANCTIONING WELFARE RECIPIENTS FOR TESTING POSITIVE FOR THE USE OF CONTROLLED SUBSTANCES.**

Notwithstanding any other provision of law, States shall randomly test welfare recipients, including recipients of assistance under the temporary assistance for needy families program under part A of title IV of the Social Security Act and individuals receiving food stamps under the program defined in section 3(h) of the Food Stamp Act of 1977, for the use of controlled substances and shall sanction welfare recipients who test positive for the use of such illegal drugs.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. I understand the distinguished Senator from Missouri will agree to 15 minutes and Senator KENNEDY, in opposition, to 15 minutes. I ask unanimous consent that there be 15 minutes on each side for a total of 30 minutes on this amendment.

The PRESIDING OFFICER. Is there objection?

Mr. DOMENICI. And I ask unanimous consent that there be no second-degree amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. CHAFEE addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. I wonder if we could get some indication, while the managers are here, of what is going to transpire for the remainder of the evening, perhaps tomorrow.

Mr. ASHCROFT. Madam President, I ask unanimous consent that this not be deducted from the time on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. That was understood, but we will be glad to agree.

I say to Senator CHAFEE, we have 28 Democratic amendments and 22 Republican amendments. We have not had a chance to go through and see if there are significant numbers that we could agree to accept. So for now we are in business until we get to talk with our leader and see what he wants to do. We will take this amendment and use that time to see what we can give the Senator by way of assurance. There are a lot of Senators who have things planned for this evening, but I think the leader made it clear that we want to try to finish this reconciliation bill by a time certain, and we are nowhere close to that. So for now, the best I can do is say let us wait for at least 30 minutes and then try to give you a more concrete answer.

I thank Senator ASHCROFT for yielding.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Madam President, the debate over the provisions before us today represents an opportunity to change the way we view welfare in this country. The question is simple: Will we continue to allow Federal assistance to be a way of life?

That is the fundamental choice we face. Will we see welfare as the intergenerational problem that it is, or will we continue to fund this failure, this dependence?

There are a number of things in this bill that would help us make sure welfare is no more than a transition. We put time limits on welfare, for instance. But if we really want to move people from dependence to independence, if we want individuals to move from welfare to work, if we really want individuals to change their behavior, I think we ought to be asking people to display a set of behaviors which readies them for the real world.

If you want to be part of the working world, you ought to be drug-free. When you go to work in the private sector, this is the standard. As the chart behind me indicates, even in small firms with 1 to 500 employees, 62 percent test for drugs. Similarly, 88 percent of all firms employing over 10,000 people in America require drug testing.

Now, I ask a simple question: What good does it do for us to allow people to remain on drugs if they have little or no capacity to be placed in the private sector? If you are on welfare, you should be off drugs. Period.

That is the point that I make, that the American people should not be asked to spend their hard-earned resources supporting the drug habits of uninterested addicts. Under my amendment, each State would be required to create a random drug-testing program as well as sanction those individuals who test positive.

It does mandate that the States require drug testing. No question. It is time, however, for us to stop funding the drug habits of individuals who have no intention of working toward a job.

I am pleased, then, to send this amendment to the desk, and to say to

those individuals who are on welfare, it is time to move from dependence to independence and opportunity. I reserve the balance of my time.

Mr. KENNEDY. Madam President, I yield myself 10 minutes.

Madam President, I listened with interest to the presentation made by the Senator from Missouri regarding his amendment. I bring to the attention of the membership that the amendment says ''notwithstanding any other provision of law, States shall''—not may, but ''shall''—''shall test welfare recipients.'' So, effectively this is a mandate. The Senator has not commented about how much money these tests would cost and who would pay for them. We heard a good deal earlier this year about unfunded Federal mandates. Well that's what this amendment is. This amendment says that the States shall undertake this activity.

Now, if the Senator offered an amendment to provide that the Governors, or the State legislatures and the Governors, may do this, I might urge the Senate to support it. I might support giving States the discretion to test, within constitutional limits, provided that they comply with the HHS guidelines which ensure maximum accuracy and appropriate safeguards.

But the Senator says we will not leave this matter up to the States. We will not let the Governors make a decision or judgment about this. This amendment provides no flexibility based on different State experiences. This amendment says that every State shall do it.

I hope in the remaining time, the Senator from Missouri would explain to the Senate where the States will get the money to do it. If they use money from this bill, it is going to come out of other vital activities. If they had discretion, Governors might decide that drug testing was a sensible priority for these scarce funds, or they might not. But this amendment provides no discretion. As a result, the money spent on drug testing will be money not spent on children's programs and expectant mother programs. We are going to cut back on those even further.

I would have thought the Senator would at least attempt to justify his proposal by arguing that there is a higher incidence of substance abuse among AFDC recipients, but he has not made that point. He has not made that point because there is no evidence whatsoever to suggest that it is true. But evidently he believes that poor people need this kind of testing, but that other, different groups that get Federal benefits do not. We do not drug test farmers applying for crop subsidies. We do not drug test homebuyers applying for a federally guaranteed mortgage. We do not drug test corporate executives applying for marketing assistance overseas. But we are singling out this particular group of poor people for this stigmatizing, intrusive procedure.

Now, the latest information from HHS is that it costs at least $35 to conduct a drug test, and that does not include the cost of an administrative appeals process, or the cost of treatment for those who test positive. There are some 5 million adults receiving AFDC, and that is only one category of welfare recipients. So we are looking ar a bare minimum price tag of $1.75 billion. That is $1.75 billion, without any assurance about what particular tests or laboratories we will have.

Madam President, it seems to me it would make more sense to say that the States may go ahead and develop these programs if they choose within constitutional limits and in compliance with the HHS guidelines. Let the Governors make that decision. But that is not what this amendment is about.

At an appropriate time, Mr. President, I will make a point of order against the amendment.

Madam President, just a brief comment on the underlying piece of legislation that we are considering here this evening. It is shocking to me that after months of what I had hoped was progress, our Republican friends are once again prepared to shed the fragile and frayed safety net designed to protect nearly 9 million American children. As I said from the beginning, there is a right way and a wrong way to reform welfare. Punishing children is the wrong way. Denying realistic job training and work opportunities, is the wrong way. Leaving States holding the bag is the wrong way. We all want to move families from welfare to work, but we should be clear that this bill is still not about real welfare reform but is simply more welfare fraud.

After more than 60 years of a good-faith national commitment to protect all needy children, our Republican friends are still proposing legislative child neglect, if not abuse. This measure, the broad measure, the underlying measure, is an assault on the youngest and most vulnerable Americans.

I urge my colleagues to join with me in doing the right compassionate thing and eventually voting no. Granted, after being called on the carpet for putting forward their home alone welfare bill, a proposal that would have forced mothers into workfare programs even if they had no one to care for their children—this bill provides funding for child care services. In addition, the Republicans have finally let go of their desire to dismantle existing protections for abused and neglected children. These are improvements.

The bill, nevertheless, poses many of the very same dangers to children as the bills that have already been vetoed. Madam President, here are a few of the tragic consequences. Under the Republican bill, destitute children would no longer be able to count on even the most basic concern in a time of need. In 1935, Congress made a historic promise that no child would be left to face poverty, hunger, and disease. This bill permanently breaks that promise. If the Republicans have their way, when children need a helping hand, it will depend on whether they are fortunate enough to be born in a State that has the resources and the will to provide that assistance. It will no longer be a matter of national policy. It will be a gamble geography.

Under the Republican bill, more than 1 million adolescent children and 4 million parents would lose their currently guaranteed access to health care. We know that adequate health care is a major barrier to employment. If we are serious about promoting work and reducing long-term health care costs, this is a major step backward.

Under the Republican bill, food stamp payments would be reduced to 66 cents a meal. I do not know how many of my colleagues have tried to feed a child for 66 cents, but it is just not possible. By slashing $27 billion from critically important nutrition programs, the Republican bill will leave more than 14 million children at risk of hunger, malnutrition, stunted development, and school failure.

Under the Republican bill, 300,000 children with serious disabilities, including mental retardation, tuberculosis, autism, and head injuries, will be denied SSI cash benefits and Medicaid eligibility.

The Republican bill pulled back the welcome mat for legal immigrants who enter this country under our laws, play by the rules, pay taxes, and contribute to our communities. It bans legal immigrants from SSI and food stamps. Even if their sponsors cannot help them, they still cannot help. Many immigrants, particularly those who come to fill needs rather than to unite with families, do not even have sponsors to turn to when they need help. Under this bill, if you are a legal immigrant and you fall on hard times, you are out of luck.

Madam President, I can think of no measure that expresses a greater hostility toward the immigrants that have made this country great than to ban legal immigrants from the ultimate safety net—Medicaid.

There is a solution to ensure that public assistance is truly a last resort for immigrants. We should hold sponsors accountable for the care of the immigrants they sponsor. But where the sponsor cannot shoulder the burden, or where there is no sponsor, we should be prepared to lend a helping hand, particularly to the children. There is much more.

The Republican bill provides far too few Federal resources to help in the training, education, and services needed to help move families from welfare to work. It prohibits the States from offering assistance to babies born to families on welfare—unless and until they enact laws to exempt themselves from this requirement. These provisions are a direct assault on children and have nothing at all to do with meaningful reform.

Madam President, right here in the Senate, much of what America has

stood for is being dismantled and destroyed.

In the movie ''Independence Day,'' people go to the theater, the lights go down, and they sit in the dark to watch a battle between aliens and America's best fighters, who win in the end. Here we are talking about American children living in poverty, the innocent victims of fate. If this bill passes, they will be the innocent victims of their own Government.

Tonight, after the movies, when people shut out their lights, we should all think about how fate has treated us and about what kind of country we want to live in, about what kind of children we want to grow up in this country. We do not need to worry about aliens; we need to worry about what we are doing to ourselves, our country, and our children. We may be reaching for the gold in Atlanta, but when it comes to caring for our children, we are certainly trailing the rest of the industrial world here in Washington. Surely, we can do better.

Mr. BIDEN. Madam President, I support random drug tests, and I have voted for random drug tests for welfare and food stamp recipients—as recently, in fact, as last May in Senate vote 133. But the big distinction between that and what Senator ASHCROFT is proposing here is that he is making it mandatory—and not providing the money to pay for it. We spent the first part of this Congress in 1995 debating the entire issue of unfunded mandates. And, here is an unfunded mandate. If this amendment had provided the funding or allowed States to do random drug tests, I would have supported it, as I have similar proposals in the past. But I cannot support this.

Madam President, I support the right of States to require welfare recipients to submit to drug tests and to fulfill a commitment to remain drug free as a condition for receiving public assistance. Drug abuse is serious, and is all-too-often a heartbreaking problem, particularly among young people. And we have to attack it on as many fronts as we can. Just yesterday, I joined my friend and colleague, Senator HATCH of Utah, in introducing a bill to crack down on the manufacture and importation of methamphetamine, or crank.

But whether a State chooses to combat drug abuse among welfare recipients through random testing and punishment, or through other methods of screening drug use and efforts to help people get off drugs permanently, is a decision that should be left to the States. Random drug testing is not cheap, and this amendment, as written, would force the States to spend up to $200 million—even if they had in place another means to go after drug use money recipients. While I support the right of States to test welfare recipients for drug use, I cannot support this unfunded mandate.

Mr. ASHCROFT. Madam President, I ask that the Senator from Oklahoma [Mr. NICKLES] be added as a cosponsor, and I yield 4 minutes to the Senator from Alabama.

Mr. SHELBY. Madam President, I rise tonight to join my friend from Missouri, Senator ASHCROFT, in offering this amendment, which would require the States to sanction individuals testing positive for drug use. This amendment would go a long way in restoring integrity into our system of public assistance.

Madam President, I trust there is not one Senator in this Chamber who would stand here and argue that taxpayers should be forced to subsidize the drug habits of other individuals. Yet, if the Federal Government continues to send cash payments to individuals using drugs, that is exactly what is happening. Not only is that directly contrary to the intent of the AFDC program, and others, and a complete waste of the taxpayers' money, but it is also very harmful to the parents using drugs and the children living in that environment.

Subsidizing the parents' drug habits will, in the end, destroy their chances for ever becoming self-sufficient. They will remain trapped on welfare longer and will require substantial rehabilitation.

However, Madam President, think of what we are doing to the children living in that environment. Giving cash to parents using drugs is one of the cruelest forms of Federal child abuse I can think of. By cutting off or limiting public assistance to those buying drugs, we are limiting their ability to buy the drugs. That will improve not only their lives, but the lives of their children.

Madam President, I believe the amendment offered by the distinguished Senator from Missouri will restore a great deal to our welfare system. I hope my colleagues will support it.

I yield the floor.

Mr. DOMENICI. Madam President, has all time expired?

The PRESIDING OFFICER. No. The Senator from Missouri has 6 minutes and 10 seconds. The Senator from Massachusetts has 5 minutes.

Mr. KENNEDY. I am more than glad to yield back 4 minutes of the time and just take 1 more minute if the Senator wants to yield back his time. I am more than glad to do that. If he is going to retain the time, I will retain mine.

Mr. DOMENICI. Before the Senator does that——

Mr. KENNEDY. I will not do anything until I hear what Senator ASHCROFT is going to do. If he wants to yield time, I will as well. If he does not, I will retain my time.

Mr. ASHCROFT. I would like to use my time.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. ASHCROFT. I yield myself 4 minutes of the time remaining.

I have to say that I agree totally with the senior Senator from Massachusetts. This amendment is about children. As a matter of fact, drug use has been damning to children. It has, as a matter of fact, been lethal.

I would like to introduce you to one such child. This young man is no longer with us. His name was Jason. His mother was a 21-year-old recipient of the welfare of which we speak, and she funded her drug habit with the methamphetamine drug known as crank. Not only was her child born drug-addicted, but as a result of the nursing, the child literally died of an overdose of methamphetamine.

So, this amendment is about children. It is also about drug use and what that use does to children. It kills them. It is time for us to stop this killing.

This amendment is also about preparing for a job. If we are willing to say that people who are involved in job training should be subject to mandatory drug tests, as we did last October, it seems to me that welfare recipients should be held to the same standard. That is what this amendment would do.

Mr. President, let us not lure welfare recipients into a false sense of security; stay on drugs and we will still support you. Let us make it clear from the very beginning. If you are on welfare, you will be off drugs. The taxpayers and the children who aspire to a better tomorrow deserve nothing less.

I reserve the remainder of my time.

Mr. KENNEDY. Madam President, we can all have a feel good vote and support Senator ASHCROFT's amendment and think we are doing something about children. But the underlying bill cuts back on nutrition support for 14 million children in the United States. So who really favors children?

It is interesting listening to this Senator from Missouri. He says we know better, Washington knows better, we ought to tell those States how to run their programs. Of course he tells us something entirely different in another context. I hope we can let the Governors make this decision.

And remember the backdrop against which this amendment is offered. This Republican Congress has spent the last 2 years cutting back on the drug treatment and prevention programs that are designed to help the families whose lives have been affected by the scourge of drugs. We have tens of thousands of individuals who need and want drug treatment today, to free themselves from addiction, but they languish on the waiting lists of the treatment programs that still exist after the Republican budget cut these programs almost 20 percent. So we can pretend to be tough about drugs by voting for this amendment, but if we really wanted to fight drugs we would provide treatment to the people who need it and are begging for it.

The Senator from Missouri talks about substance-abusing mothers. But there is no money in here to assist any of those individuals who might test positive and want freedom from addiction. Does the amendment have any

money for treating these women so that they can be better mothers to their children? No. It is not provided.

Not only is money for treatment not provided. There is no money in here for the testing itself. It is $1.75 billion, and the Senator does not show where it comes from.

On the underlying measure, we have 1.3 million children who are going to be thrown off Medicaid. We are supposed to shed crocodile tears about drug-abusing mothers under the Ashcroft amendment, but the bill says to 1.3 million Americans, ''You are going to be denied any kind of help and assistance.'' Are we going to say to the 4 million mothers who are being denied Medicaid, many of them of childbearing age, that they are going to be denied prenatal care? The baby may get some care, but we are denying the mothers the prenatal care? Do we care about children?

It is difficult for me to be persuaded by the Senator's argument about how concerned we are about children when the underlying bill so badly frays the social safety net for children.

In conclusion, the amendment is an unfunded mandate on the States. It does not provide the money to conduct the drug tests. And it is simply inhumane to test these people and throw them into the street when the Republican budget so dramatically cuts back on the drug treatment programs that provide assistance for those individuals who want to free themselves from substance abuse.

I withhold whatever time I have.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Are we clear on time on amendments yet?

The PRESIDING OFFICER. There are 2 minutes left for each side.

Mr. ASHCROFT addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. ASHCROFT. Madam President, thank you very much.

The case of Jason Allen is not an isolated case. I could fill the RECORD with cases of children who are drug abused, or victims of the drug abuse of their parents, all funded by a welfare system that is the subject of this debate.

This amendment does nothing to impair our ability to care for children. Far from it. This amendment merely says that we ought to provide incentives for our children to live in drug-free environments, not drug-laden environments.

If we care about children, we cannot allow the current devastation to persist. It has occurred for too long. It has ruined families and ruined children. This amendment is an important first step in the right direction.

With that, Madam President, I thank you. I yield the floor.

Mr. KENNEDY. Madam President, we still have not heard from the Senator about what is going to happen to those children. What is going to happen if the mother is thrown off the welfare rolls for testing positive? Say she has been denied treatment, she is on a waiting list for drug treatment, and so she tests positive for drug use and forfeits her family's welfare benefits. How does that possibly help the children? You are prohibiting these women from getting vouchers so that they can get diapers, so they can get milk, or infant formula. So what happens to these families? They get thrown out on the street, and they are made homeless. There is no provision in here to look after the children.

I just think this is a harsh proposal. It is directed toward the mother, but it hits the children. It is also reflective of the underlying problem with the whole welfare bill. We are fragmenting the safety net for children in this country, and I think that is why the underlying measure should be defeated as well.

I withhold the remaining time. I have to withhold enough time to be able to make a point of order.

Mr. ASHCROFT. Madam President, I would be pleased to yield the remainder of my time for raising the point of order by the Senator from Massachusetts.

Mr. KENNEDY. I yield back all my time, and as I understand when all time is yielded that it is appropriate to make the point of order that the pending Ashcroft amendment is not germane. I raise the point of order that the amendment violates section 305(b) of the Congressional Budget Act.

Mr. ASHCROFT. Madam President, I move to waive the Budget Act for consideration of my amendment, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DOMENICI. Madam President, I ask unanimous consent that the time be yielded back on the motion to waive.

The PRESIDING OFFICER. Is there objection?

Mr. ASHCROFT. There is no objection on my part.

Mr. DOMENICI. Madam President, before we proceed to a vote, could I ask Senator DODD? I understand he has an amendment. If the sponsor and the opposition to the previous amendment would permit us, we would like to set the motion aside temporarily and take up the Dodd amendment. I think the Senator is going to go to 30 minutes equally divided.

Mr. DODD. That is correct.

Mr. DOMENICI. And there be no second-degree amendments.

Mr. DODD. Right.

Mr. DOMENICI. After which time we will order a rollcall on it, and we will then ask they be sequenced——

Mr. ASHCROFT. Reserving the right to object, might the Senator from New Mexico estimate the time at which a vote would occur on this amendment, on the motion to waive the budget act?

Mr. DOMENICI. It looks to me like it would be 6:10.

Does the Senator want that agreed to now so we do not violate that?

Mr. ASHCROFT. If it is possible, I would like to defer the vote until perhaps 8:30.

Mr. DOMENICI. I think maybe we better proceed to vote on the motion to waive right now, Mr. President. We will just do that and take Senator DODD's up in due course.

Mr. DODD. I say to my colleague, we will try to get it done quickly. The amendment is not a matter of great controversy. I know a lot of people wanted to say something about the amendment.

Mr. DOMENICI. Would the Senator take less?

Mr. DODD. I will try to do it in 20 minutes.

Mr. DOMENICI. The amendment was going to be agreed to, so I assume the Senator is going to get a very big vote. Would the Senator want to agree to let us accept the amendment?

Mr. DODD. I want a vote, I say, with all due respect, to the Chairman, on an issue that has gone back and forth.

Mr. ASHCROFT. Reserving the right to object, is there a reason the Senator wants to make his remarks in advance of the vote?

If the Senator from Connecticut needs to leave for other reasons, I would indicate to him that that is the condition in which the Senator from Missouri finds himself.

Mr. DOMENICI. Madam President, I withdraw my unanimous-consent request and ask for the regular order.

The PRESIDING OFFICER. The question is on agreeing to the motion to waive the Budget Act. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] is necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote nay.

Mr. FORD. I announce that the Senator from New Jersey [Mr. BRADLEY] and the Senator from Arkansas [Mr. PRYOR] are necessarily absent.

The PRESIDING OFFICER (Mr. BENNETT). Are there any other Senators in the Chamber who desire to vote?

The yeas and nays resulted—yeas 50, nays 47, as follows:

[Rollcall Vote No. 203 Leg.]

YEAS—50

| | | |
|---|---|---|
| Abraham | Faircloth | Kohl |
| Ashcroft | Feinstein | Kyl |
| Bennett | Frahm | Lieberman |
| Bond | Frist | Lott |
| Breaux | Gorton | McCain |
| Brown | Gramm | McConnell |
| Burns | Grams | Murkowski |
| Campbell | Grassley | Nickles |
| Coats | Gregg | Nunn |
| Cochran | Hatch | Pressler |
| Coverdell | Heflin | Roth |
| Craig | Helms | Santorum |
| D'Amato | Hutchison | Shelby |
| DeWine | Inhofe | Simpson |
| Domenici | Kassebaum | |

| | | |
|---|---|---|
| Smith | Thomas | Thurmond |
| Stevens | Thompson | Warner |

NAYS—47

| | | |
|---|---|---|
| Akaka | Ford | Mack |
| Baucus | Glenn | Mikulski |
| Biden | Graham | Moseley-Braun |
| Bingaman | Harkin | Moynihan |
| Boxer | Hollings | Murray |
| Bryan | Inouye | Pell |
| Bumpers | Jeffords | Reid |
| Byrd | Johnston | Robb |
| Chafee | Kempthorne | Rockefeller |
| Cohen | Kennedy | Sarbanes |
| Conrad | Kerrey | Simon |
| Daschle | Kerry | Snowe |
| Dodd | Lautenberg | Specter |
| Dorgan | Leahy | Wellstone |
| Exon | Levin | Wyden |
| Feingold | Lugar | |

NOT VOTING—3

| | | |
|---|---|---|
| Bradley | Hatfield | Pryor |

The PRESIDING OFFICER. On this vote, the yeas are 50, the nays are 47. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected. The point of order is sustained.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, our leader will announce his intentions shortly, but I just want to say, from the best I can ascertain, there are 28 known amendments on the Democratic side, and that does not include the list of Byrd rule violations which could be considered to be votes. And on our side, there are 22, as of the last count.

I think the longer we are here, I say to the leader, it is an invitation for phone calls. We have about nine additional phone calls in our cloakroom from Senators who want to add amendments. So I do not believe it is going to be very easy to get this completed. We are going to need substantial time.

I yield to the leader, because I can't do anything about it at this point.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. LOTT. Mr. President, first, I would like to inquire, are we in a position where we can get a 20-minute time agreement, equally divided, on the Dodd amendment and get a vote on that in 20 minutes?

Mr. DODD. I say to the majority leader, we had 30 minutes, and we will try to use less than that. We have a number of people who want to speak. That is the problem. I will try to keep it to no more than 30.

Mr. LOTT. Are you talking about a total of 30 minutes equally divided?

Mr. DODD. Yes, 30.

Mr. LOTT. Let me lock this in.

Mr. President, I ask unanimous consent that there be a 30-minute time agreement equally divided on the Dodd amendment, with a vote to follow immediately after that time, and no second degrees be in order.

Mr. CHAFEE. Mr. President, I thought this was an amendment they were going to accept.

Mr. DOMENICI. We told the Senator we would accept it. He desires a rollcall vote and desires debate.

Mr. CHAFEE. If it is going to be accepted, how much debate is there going to be on the other side? Can you take 10 minutes?

Mr. DODD. We are wasting time debating. Why don't we get to the amendment?

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. Mr. President, I don't want to delay time here. There has been a suggestion made that we try to work together on both sides of the aisle to get a reasonable list of amendments that would be debated and voted on. If we could get that done, then we could go to events that are scheduled tonight. Some of the Senators would like to be at the Olympics tomorrow at 12. Then we would have a series of votes on those amendments beginning at 9:30 Tuesday. Basically that is the outline of what we were trying to do. But instead of the amendments shrinking, they are growing on both sides of the aisle.

I have suggested to the Democratic leader that we will get our list down to five amendments on our side of the aisle for votes, which means that some of them will be accepted, some of them will come up another day. I mean, that is reasonable. I hope there will be an effort on the other side. We debated this before. We made our points. You can make your points on your five amendments and we can make whatever points we have to on our five amendments or so. It does not have to be exactly that number. But if we are talking about a series of 20 to 40 amendments on Tuesday, that is no accomplishment.

We do have an alternative. That is to stay here tonight and stay tomorrow and complete the time that is remaining and vote on amendments tomorrow, which would suit me fine. But I would like to be able to accommodate Members on both sides of the aisle who have things that they would like to do. I think that would be fair.

So at this point, I just ask everybody—we have 30 minutes here. Let us get serious. Let us get this agreement worked out. Then we can go on and do what we need to do tonight and tomorrow. We can take up the agricultural appropriations bill Monday. We can debate the amendments tonight, tomorrow, and 4 hours on Monday and we can vote on Tuesday. That is a mighty good arrangement. We have been having good cooperation all week. Let us see if we cannot do it one more time on this very important piece of legislation that the President wants and both sides of the aisle want. With that, I plead with Members on both sides to cooperate with us and let us get a reasonable list worked out.

Mr. DASCHLE. Mr. President, let me reiterate as well my desire to see if we cannot work this list down in the next 30 minutes. I hope every one of the colleagues on my side of the aisle will come to me and tell me, No. 1, when they intend to offer the amendment and, No. 2, whether they really need a rollcall or whether they would be satisfied with a voice vote.

If we cannot get it down to a reasonable list, I think it is fair to say that within a half-hour we would be then in a position to say whether we will be here tonight, tomorrow and Monday. So, if we cannot—I do not have any plans—we will be here tonight. I have no objection to being here tomorrow and Monday, but there are a lot of people who have expressed an interest in trying to accommodate the schedule that the majority leader has discussed, and I hope we can do that, just to take into account some of the people who have already made their plans. But we will have to make that decision within the next 30 minutes. So, I hope everybody will come to me, and we will decide within that 30-minute timeframe whether or not we will be here tomorrow and Monday or not.

Mr. DOMENICI. Could we ask our side to do the same—30 minutes?

Mr. LOTT. Absolutely.

Mr. DOMENICI. Just come into the Cloakroom and tell us. We want to dispose of them. Thank you.

Mr. DODD addressed the Chair.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

AMENDMENT NO. 4902

(Purpose: To restore health and safety protections with respect to child care)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Connecticut [Mr. DODD] for himself, Mr. COATS, Mr. KENNEDY, Mrs. KASSEBAUM, Ms. SNOWE, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL, Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, and Mr. LEAHY, proposes an amendment numbered 4902.

Mr. DODD. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 628, strike clauses (vi) and (vii) of section 2805(2)(A).

Mr. DODD. Mr. President, I offer this amendment on behalf of myself and my colleagues, Senators COATS, KENNEDY, KASSEBAUM, SNOWE, MIKULSKI, HARKIN, KOHL, KERRY, MURRAY, KERREY, COHEN, REID, and LEAHY. As you can see by this list, Mr. President, this is a bipartisan effort.

I have asked for a rollcall vote here because this is an issue that has been adopted in the past and yet mysteriously ends up dropping out of the bill every time we turn around. So I am asking for a rollcall vote, and hopefully an overwhelming vote here, so that when we get to conference on this legislation, it stays in the bill. Despite the fact that we passed this a number of times, every time we get it done, somehow it manages to disappear from the bill again, as it did from the Finance Committee bill. For those reasons, we will ask Members to be recorded on this issue.

Mr. President, let me just briefly point out that what we are doing here is restoring to the bill the child care health and safety standards that we adopted now 6 years ago when the senior Senator from Utah and I offered the child care legislation and set up broad guidelines for health and safety standards, leaving to the States the specifics on how they would achieve those particular goals.

I am thankful for the efforts of my colleague from Indiana, and Senator SNOWE, Senator KASSEBAUM, and others who worked on this over the years. We have felt that it has been very, very helpful to have these standards in place. If we are going to have, as we must have, child care resources as we move people from welfare to work, these children have to be in a safe place. We have standards by which we maintain our pets and our automobiles. In this case here we are setting basic minimum standards for children. It is something that we ought to all be able to agree on.

There was a study done, Mr. President, a few years ago that assessed the health and safety standards at child care settings across the country. The conclusion of that study, Mr. President, was that in only 14 percent of the cases was it where the child care centers provided good quality care. In 85 percent of those settings, almost 86 percent, the study concluded it was not good quality at all. So there is a necessity for requiring that these children be in a healthy and safe setting. We are talking about a setting where you are seeing to it that there are not open electrical outlets, there is electrical safety, water safety, basic requirements so that these children will be adequately protected.

Mr. President, as I pointed out earlier today, let us try to keep this debate in perspective. Of the 13 million people on welfare, 8.8 million of those are children. And 78 percent of that 8.8 million are under the age of 12. Almost 50 percent of the 8.8 million children are under the age of 6. So there is going to be a substantial number of children who will need child care as their mothers or fathers who are on welfare go to work.

There is money for child care. I would like more, but it certainly is an improvement over what existed in the past. But it is not just a question of having funding for child care. These children must also be in a safe environment.

A little later on this evening or tomorrow, or whenever, you are going to have another amendment offered by my colleague from Louisiana dealing with another aspect of children's safety. Let me urge my colleagues here, many of whom support this amendment, to look at the Breaux amendment and look at the other amendments dealing with children. I do not think there is any debate in this Chamber about trying to get adults from welfare to work. But there ought not to be any debate either, in our view, about trying to see to it that innocent children who through no fault of their own have been born into circumstances where they need some help, whether it is in food or health care or child care, are protected.

So we urge the adoption of the amendment and also amendments that would provide that safety net for these children.

At this point, if I can, Mr. President, I yield 3 minutes to my colleague from Maryland, and then I will yield to my colleague from Indiana. At that point we will try to wrap up the debate here, unless others want to be heard, and get to a vote on this amendment.

Ms. MIKULSKI. Mr. President, I rise in strong support of the Dodd-Mikulski-Kassebaum-Coats, et al. amendment. This amendment is really quite simple. It restores basic health and safety standards for child-care providers receiving Federal funds.

The bill before us repeals those modest standards. I think that is shocking. Safe child care is too important to be left to chance.

Mr. President, we have to make sure that what we explicitly state are our values we put in our legislative policy. This bill does that. It restores the requirement that states have standards in place to protect children. These standards protect children from infectious diseases, make sure their buildings and playgrounds are safe, and require the people who take care of children to know first aid.

I hope that every Senator will support this amendment because in moving families to work, we must ensure not only the adequacy of child care, but that child care is safe. Sure, we often focus on debating the amount of money we are going to spend on child care. And this is one Senator who believes we need to provide more funding for child care. However, we have to make sure that child care is not only affordable, but that it is safe. There is a basic need for health and safety standards for child care facilities and providers. We need standards to make sure our kids are not around open electrical outlets, that there are not open manholes like little Jessica fell down some years ago. This is basic. Child care has to be more than warehousing kids. Parents have to have some assurance that their children are in a hazard-free environment, and that those who are taking care of them know at least basic first aid, so they will know what to do if a child is hurt or becomes ill.

This is not an unfunded mandate. It is not even a mandate at all. It is common human decency. Requiring States to assure certain basic health and safety standards is the least we can do to give parents peace of mind, while they are working to provide for their children.

Mr. President, in 1990 the Congress enacted a major child care bill. We had bipartisan support for that bill. It provided Federal funds for tax credits and grants to make child care more affordable. It also ensured that providers who receive those funds had to meet minimum health and safety standards, which each State would establish.

We recognized that basic standards were needed to ensure that all children would be safe and well-cared for. The 1990 child care bill made sense then and it makes sense now. Under that law, States set the standards; they decide what will work best for their State.

In my own State of Maryland, we have a three tiered system of health and safety standards. Maryland felt it was important that child care centers that care for lots of kids have a higher level of regulation than someone who provides care in a home setting or in the child's own home. Maryland also ensures background checks to screen providers for criminal records.

Other States have different standards to meet the particular needs of their State. But this law ensures that each and every State must have at least a minimal level of safety and health standards. If we are serious about protecting children, we absolutely must maintain that requirement.

It is what every mom and dad wants for their kids. We should vote our values and support the Dodd-Mikulski, et al, amendment.

I yield the floor.

Mr. COATS. Mr. President, I will be brief. I know time is of the essence here, and we will yield back some of our time.

Let me state that I support very much what Senator DODD and Senator MIKULSKI are attempting to do here. This is essentially the same legislation that we are attempting to restore that we enacted in the 1990 child care legislation. This gives States a great deal of flexibility.

For instance, the State of California has a program called Trust Line which allows the State to require background checks, criminal background checks, of child-care providers. In those background checks, they found 5 percent of those who had applied to be State-certified child-care providers had criminal backgrounds and they had to disqualify them. Not all States have chosen to operate on that basis, although I think that is a reasonable requirement that a State might want to impose on a child-care provider. That is just one example of the flexibility that a State has to impose, those minimal conditions for safety and health, under child-care provisions.

Now, the House Ways and Means committee has supported this. The House Employment Economic Opportunity Committee, President Bush supported this in 1990, the Congress supported it on a bipartisan basis, the Governors have supported this. What we are attempting to do is correct something that I believe was an error, maybe it was not, but I think all indications are that it was an error as it was put in the reconciliation bill. This

would restore it to what, essentially, is current law and what the Congress agreed to in 1990. I urge its adoption.

Mr. DODD. Mr. President I ask unanimous consent that Senator BOXER of California be added as a cosponsor, as well as Senator EXON and Senator WELLSTONE.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. I end on the note I began with here. I hope our colleagues will look at some of the other amendments dealing with children, particularly the voucher proposal from Senator BREAUX. I believe we can develop a pretty good bill here.

I do not think there is much debate about moving 4 million adults in the country from welfare to work, and I hope we could develop some consensus, particularly on the children under the age of 12. I understand people make an argument for 16-, 17-, and 18-year-olds, but when you have 80 percent of the 8.8 million kids on AFDC under the age of 12, 50 percent under the age of 6, it seems to me we ought to find the means to provide a safety net for them, whether in a child-care setting or regarding adequate nutrition.

I do not think we need any real debate about ideological differences on that point. While I think we will get a strong vote here, I urge my colleagues to look at these other amendments and judge them on their merits and decide whether or not you do not think this will help strengthen and improve a welfare-to-work piece of legislation that draws us all together in this body, makes it a stronger bill, and one that I think will adequately give the kind of protection to children that all of us want to give.

Do not blame the innocent child for the circumstances they have arrived in. They ought not to go hungry without adequate health care and the protection of a child-care setting.

Mrs. BOXER. Will the Senator yield?

Mr. DODD. I am happy to yield to the Senator.

Mrs. BOXER. I commend the Senator and both sides of the aisle for their leadership here, and say as one who has fought hard and long with the Senators from Maryland, Connecticut, and certainly Senator PRYOR and others for nursing home standards, we have to take care of our vulnerable populations. This is a big step forward.

Mr. President, back in 1990, we passed a law in the reconciliation bill to enact basic health and safety protections for child care.

That current law now requires providers receiving funds through the child care development block grant [CCDBG] to have basic health and safety protections in place.

The Dodd amendment restores these basic health and safety protections which are otherwise repealed in the pending welfare bill.

What do we mean by basic?

Requirements regarding the prevention and control of infectious diseases.

Building and physical premises safety.

Minimum health and safety training.

These standards ensure, for example, that children have up-to-date immunizations. That poisonous substances stay out of the reach of young children. That electrical outlets have plugs in them.

Simply put, these basic standards reduce the numbers of accidents, incidence of illness, and safe childrens' lives.

Mr. President, we are about to make major changes to the way welfare programs in our country are run.

We hope that these changes will mean a lot more people will be getting off welfare and going to work.

I think the least we can do is give people some assurance that their children's caregivers meet a minimum level of health and safety standards.

Spurred by the Federal health and safety standards we put in place in 1990, California decided to pass a law to give even more protection for children from providers with a criminal record.

The law California passed created Trust Line.

Turst Line is a criminal background check for child care providers who are exempt from State licensing requirements.

Through Trust Line, the State found that 5 percent of these providers had criminal records—60 percent of which involved child abuse convictions.

Repealing the Federal standards would be a huge step backward for protecting our children.

Many of us here are parents. I think we understand that having piece of mind about our childrens' safety is literally priceless.

The least we can do for the welfare recipients we will be sending off to work is to assure them that some minimum health and safety standards are in place for their child's day care facility.

I urge my colleagues to support the Dodd amendment.

Mr. EXON. Have the yeas and nays been requested?

The PRESIDING OFFICER. No.

Mr. EXON. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. DODD. I yield 30 seconds to my colleague from Delaware.

Mr. BIDEN. Mr. President, I compliment my friend from Connecticut and our Republican colleagues.

Mr. President, it was not too long ago—1990— that we first put the child care health and safety standards in place. The Senator from Connecticut—who led the effort—remembers all too well the extensive discussion—and, bipartisan compromise—that went into enacting these standards.

It would be unfortunate if we repealed them today. They were the product of a bipartisan effort 6 years ago. They were retained in the bipartisan Senate bill that passed here last September. And they are retained in the bipartisan Castle-Tanner bill.

Frankly, I am not sure why we are repealing them. Usually, we hear the argument about Federal requirements being a burden on people.

But, in fact, in my State of Delaware, the people who are the strongest supporters of these health and safety standards are the very people who have to comply with them—the child care providers.

Yes, child care providers in Delaware have come to me and said, ''Don't get rid of the safety standards. Don't get rid of the quality in day care.''

It may sound strange. But, think about it. They want Federal standards and Federal requirements because they remember what it was like before there were standards. And, they do not want to go back.

And at a time when we are increasing child care funding—and going to see significant increases in the number of children in day care as welfare mothers are required to work—it is crucial that the child care providers who will be caring for kids meet minimum standards. I don't think that's too much to expect.

In fact, I think every parent with a child in day care would expect no less. Parents who drop their children off every morning want to know that their kids will be safe. They want to be sure that they are not leaving their child at some fly-by-night, shoddy, unsafe, unhealthy day care center.

So, I just urge my colleagues to think about what is being proposed here.

I add one point, I do not know how we can, in fact, have the kind of bill we want without this amendment. I think it is very important. I yield the floor.

Mr. DODD. I yield back the balance of my time.

Mr. KOHL. Mr. President, I rise in strong support, and as an original cosponsor, of the amendment by the Senator from Connecticut.

I agree with much of what is in the welfare legislation before us today and I plan to vote on it. We owe it to the low-income families of this country to end a welfare system that keeps them down rather than helps them up. We owe it to the taxpayers to spend their money in a way that strengthens their communities. We owe it to ourselves to be honest when we have failed—as we have with our current welfare system. And we owe it to this country to develop a welfare system that respects and encourages this Nation's longstanding values of work and family. I think this bill, on the whole, does that, and that is why I support it.

But before we send this bill out of the Senate, there is room for improvement. One of my chief concerns with this bill is the unwise elimination of the bipartisan, minimal Federal standards that govern the quality of child care. We ought to be doing exactly the opposite.

Not only does the repeal of safety standards jeopardize quality of care for children from welfare families, it threatens child care safety for all children. Children of families from all income levels benefit from the current health and safety standards.

We need to return welfare to the States because the Federal program has proven itself a disaster. But turning the program over does not mean turning our backs on the people and communities welfare is meant to help. We still have a responsibility at the Federal level to make sure that State-run welfare systems are able to succeed where the Federal system so dismally failed.

And that means doing everything we can to keep the national economy healty—so there are jobs for welfare recipients to move into. And that means strengthening our child care infrastructure—so there are safe and stimulating places for the children of welfare recipients to spend their days as their parents go back to work.

As States begin to move mothers off the welfare rolls and into jobs, the demand for child care is going to soar. Preliminary estimates done for the city of Milwaukee have shown that welfare reform will create the demand for 8,000 new child care slots—child care that does not exist today. Already in the State of Wisconsin, there are almost 6,500 children from 4,000 families on waiting lists for child care.

At the Federal level, there is much we can do to start putting a broader child care infrastructure in place. But one thing I know we cannot do is move backward and eliminate the minimal Federal standards that now regulate the quality of child care.

At the very heart of the welfare debate is the Government's responsibility to the impoverished children of this county. We failed them with our current welfare system, and today we rightly admit that failure and ask the States to try and do better. As we turn welfare over to the States, we cannot fail those children again by ignoring the real need they have for protection and education while their parents work. We can—and should—turn over welfare. But we cannot turn away from the children who need and deserve quality day care.

I ask my colleagues to support the Dodd amendment.

Ms. SNOWE. Mr. President. I rise today as a proud cosponsor of Senator DODD's amendment to restore child care health and safety standards to this welfare reform bill. During consideration of last year's welfare reform bill, I worked with my distinguished colleague from Connecticut to add crucial child care funds to the welfare reform bill. In fact, the $3 billion in child care funds which we succeeded in adding to the bill resulted in an overwhelming vote of 87 to 12 in favor of the bill.

I am pleased to join my colleague once again, as we consider a new welfare reform bill almost one year later, on another important child care issue. Maintaining health and safety standards for federally subsidized child care is a basic issue of accountability for Federal dollars. But above all, it is about guaranteeing the safety of this Nation's youngest and most vulnerable children. The amendment is a significant step toward ensuring that American children from low-income and working families receive safe child care.

These health and safety standards were created as part of the child care and development block grant in 1990, with broad support from President Bush, Congress, and the Nation's Governors. The 1990 legislation did not dictate regulations governing child care facilities. Instead, it required child care facilities receiving Federal funds to meet basic requirements set by the states in three areas: building premises safety; prevention of infectious diseases; and training for child care providers.

Again, I emphasize that these health and safety standards are set by the States. And because they are set by the States, they allow States the same State flexibility that motivates this welfare reform bill.

Six years after the creation of these health and safety standards, we know that they work to protect this Nation's children. For example, California protects children through Trustline, which institutes background checks for providers that are exempt from State licensing requirements. Through these background checks, the State found that 5 percent of these providers had criminal records—of which 60 percent involved child abuse convictions.

Yet despite their proven success, this welfare bill does not contain these crucial protections for children. Instead, it simply requires States to certify that they have State licensing requirements for child care. However, a significant percentage of child care facilities are exempt from State licensing requirements. In fact, only 9 States require all family child care homes to be regulated regardless of size. The children who attend these exempted facilities would do so with no assurances that these facilities met even minimal health and safety requirements. And yet Federal funds would pay for this potentially substandard care where children are offered no protections for their health and safety.

This does not make sense. After all, we offer consumers protection when they buy food and cars, use public transportation on our highways, and have their hair cut. It does not make sense that this bill would leave the Federal Government with no way to ensure that children receiving public child care funds are in minimally healthy and safe settings.

This amendment simply ensures that when Federal child care funds are used they will not be in settings where poisonous substances are within easy reach of children; where electrical outlets are left exposed and open; where unfenced play areas expose children to busy streets; where children are allowed to go unimmunized; and where child care providers have a criminal record. How can we allow public funds—taxpayer dollars—to be spent in such a reckless and uncaring manner?

Finally, if we are talking about welfare reform helping people become self-sufficient, why wouldn't we want to ensure that children get off to a good start by having safe child care? Experts believe that the first few years of life—those years during which an increasing number of children are in child care—are the most crucial for a child's development. If children are to develop to their full potential, we need to ensure that they are cared for in safe environments by responsible adults who are knowledgeable about child development.

Research shows that unregulated child care is generally of lower quality than regulated care. This means that children are less likely to receive the care they need to enter school ready to learn. The children that will receive child care under this bill are some of the most vulnerable children in our society. They should not be placed at greater developmental risk because they begin life in substandard child care.

As a Nation, it is the least we can do to ensure that Federally funded child care meets minimum health and safety standards. I urge my colleagues to support this important amendment.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The yeas and nays have been ordered.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Oregon [Mr. HATFIELD] and the Senator from Oklahoma [Mr. INHOFE] are necessarily absent.

I further announce that, if present and voting, the Senator from Oregon [Mr. HATFIELD] would vote ''yea.''

Mr. FORD. I announce that the Senator from Arkansas [Mr. PRYOR] and the Senator from New Jersey [Mr. BRADLEY] are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 0, as follows:

[Rollcall Vote No. 204 Leg.]

YEAS—96

| | | |
|---|---|---|
| Abraham | Campbell | Faircloth |
| Akaka | Chafee | Feingold |
| Ashcroft | Coats | Feinstein |
| Baucus | Cochran | Ford |
| Bennett | Cohen | Frahm |
| Biden | Conrad | Frist |
| Bingaman | Coverdell | Glenn |
| Bond | Craig | Gorton |
| Boxer | D'Amato | Graham |
| Breaux | Daschle | Gramm |
| Brown | DeWine | Grams |
| Bryan | Dodd | Grassley |
| Bumpers | Domenici | Gregg |
| Burns | Dorgan | Harkin |
| Byrd | Exon | Hatch |

| | | |
|---|---|---|
| Heflin | Lieberman | Rockefeller |
| Helms | Lott | Roth |
| Hollings | Lugar | Santorum |
| Hutchison | Mack | Sarbanes |
| Inouye | McCain | Shelby |
| Jeffords | McConnell | Simon |
| Johnston | Mikulski | Simpson |
| Kassebaum | Moseley-Braun | Smith |
| Kempthorne | Moynihan | Snowe |
| Kennedy | Murkowski | Specter |
| Kerrey | Murray | Stevens |
| Kerry | Nickles | Thomas |
| Kohl | Nunn | Thompson |
| Kyl | Pell | Thurmond |
| Lautenberg | Pressler | Warner |
| Leahy | Reid | Wellstone |
| Levin | Robb | Wyden |

NOT VOTING—4

| | |
|---|---|
| Bradley | Inhofe |
| Hatfield | Pryor |

The amendment (No. 4902) was agreed to.

Mr. DOMENICI. Mr. President, I move to reconsider the vote.

Mr. BREAUX. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DOMENICI. Mr. President, I suggest the absence of a quorum, the time to be charged equally.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LOTT. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. I want to say before I ask this unanimous consent request that I appreciate the cooperation, again, from the Democratic leader. There has been an effort on both sides to reduce the number of amendments. We have not been able to get it reduced as much as we had hoped for on either side of the aisle. We worked on it. We will continue working on it. We are trying to accommodate as many Senators as we possibly can, with a variety of personal problems or needs, and to get our work done. It is very hard to get both of those done simultaneously. So we have come up with a unanimous consent request that I think will allow us to do our job and still allow for consideration of as many Senators' needs as possible.

The summation of it is basically we will begin now and continue to take up as many as nine amendments tonight for debate. Hopefully, some time limitations could be agreed to on those. We will begin voting at 9 a.m. tomorrow morning on those amendments taken up tonight. There will be a series of votes on those amendments. Then we will return to debate on amendments throughout the afternoon tomorrow and for 4 hours on Monday, at which point we will turn to the agriculture appropriations bill and make an effort to complete that bill, if it is at all possible, on Monday. All time on all amendments would be done Friday afternoon and Monday, during that time. Then we will go to the final votes beginning at 9:30 on Tuesday and complete action on the reconciliation bill.

I think that is as fair a process as we can come up with because we still have 13 hours of time remaining. We still have a long list of amendments remaining. It does take time to debate those amendments, though, so this will allow us to have a substantial portion of that time used up tonight. We are going to be counting on Senators to stay and offer those amendments. We have offered at least three on our side and six on the other side. We will have the votes in the morning. I think that is a fair arrangement.

I have submitted a unanimous-consent request. The leader is reviewing that now, and I think we can achieve this.

UNANIMOUS-CONSENT AGREEMENT

Mr. LOTT. Mr. President, I ask unanimous consent during the remainder of the Senate's consideration of S. 1956, the following amendments be the only amendments in order and those amendments be subject to germane second degrees and all other provisions under the statute remain in effect and any rollcall votes ordered this evening with respect to amendments offered tonight occur at 9 a.m. on Friday, July 19, in a stacked sequence, with 2 minutes for debate to be divided equally prior to each vote, and following the disposition of amendments the Senate proceed to further debate on the remaining amendments.

I further ask that following those stacked votes on Friday, any additional rollcall votes ordered with respect to the amendments be stacked in the same fashion as described above beginning at 9:30 on Tuesday, July 23, and following disposition of the amendments, the bill be advanced to third reading and the Senate proceed immediately to the House companion bill, H.R. 3734, and all after the enacting clause be stricken, the text of S. 1956 as amended be inserted, and the bill be immediately advanced to third reading and final passage occur, all without further action or debate.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. Reserving the right to object.

Mr. DOMENICI. I do not object, but I ask if you could insert that time on the amendments be no longer than 30 minutes, equally divided?

Mr. DASCHLE. Mr. President, I think in some cases we are not going to need 30 minutes. I know at least in one case, the amendment to be offered by the distinguished Senators from Delaware and Pennsylvania, I think they wanted 45 minutes.

Mr. DOMENICI. I withdraw that request. We will work on it.

Mr. DASCHLE. I would like to, if we could, at the end of the colloquy, announce the list and the order in which the amendments are going to be taken so Senators will be put on notice as to when their amendment could be expected.

Mr. LOTT. If I could respond to that suggestion, Mr. President, we are working on a list right now. Of course, we will try to identify them in order. We will try to go back and forth so you are getting your amendments offered, although tonight there may not be exactly that number. We have three, I think, committed tonight. You may have as many as six.

Mr. DASCHLE. Six.

Mr. LOTT. I urge the Senators to agree to time agreements, hopefully less than 30 minutes. If we have one that needs 40 minutes, we will do that. But we will, at the end of this, try to identify the list somewhat in the order they would come up.

The PRESIDING OFFICER. Is there objection? The Senator from Rhode Island.

Mr. CHAFEE. May I ask the leader a question, please?

Mr. LOTT. That will be fine, Mr. President.

Mr. CHAFEE. I have an amendment which is up near the top of the list. I greatly prefer if I did not have to debate that tonight. I will be perfectly prepared to debate it after we have completed our rollcalls tomorrow.

Mr. LOTT. I do not think there will be any problem. I know the Senator has a couple of problems tonight. We will accommodate that. We have identified other amendments that can be offered tonight, and yours could be one of the first tomorrow.

Mr. CHAFEE. As far as the time agreement, I am perfectly prepared to agree to 30 minutes. I do not know what the Senator from Delaware would say, but I am agreeable to 30 minutes equally divided.

Mr. EXON. Mr. President, if I understood the unanimous consent request, any amendment that would be offered would be debated either tonight, sometime on Saturday——

Mr. LOTT. Friday. Friday afternoon or Monday morning.

Mr. EXON. Or Monday.

Mr. LOTT. Yes, sir.

Mr. EXON. There would be no amendments debated—if you want to offer an amendment on this bill, you are going to have to do it by Monday, is that correct?

Mr. LOTT. Yes, sir.

Mr. EXON. But there would be 2 minutes of debate equally divided, on every amendment that was offered, on Tuesday before the vote?

Mr. LOTT. That is the way it has been done, and that is what is incorporated in the request.

Mr. EXON. I thank my friend.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. LOTT. Mr. President, I further ask unanimous consent that all amendments must be offered and points of order must be offered and debated during the remainder of the session this evening, during tomorrow's session of the Senate, or Monday, July 22, between the hours of 10 a.m. and 2 p.m., with that time for debate on Monday to be equally divided. That is in response to the question that the Senator from Nebraska just asked.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LOTT. So, for the information of all Senators, there will be no further votes this evening. The next vote will occur at 9 a.m. on Friday, July 19, 1996. Following those stacked votes, the Senate will continue to debate the reconciliation bill. The next voting series will be on July 23, 1996.

Members are put on notice, if they intend to offer amendments under the consent agreement just reached, they must be offered and debated tonight, during the session of the Senate on Friday, or on Monday between the hours of 10 a.m. and 2 p.m. No further amendments or debate other than the 2 minutes of closing debate will be in order.

I thank all Senators for their cooperation in this matter.

Mr. HARKIN. Will the majority leader yield?

Mr. LOTT. I yield.

Mr. HARKIN. As I understand it, tomorrow morning at 9 votes will start. After those stacked votes, there will be no more votes after that.

Mr. LOTT. We will shorten the time for votes by agreement, and there will be no more recorded votes after that sequence of votes, which could be as many as nine votes in a row.

Mr. HARKIN. I thank the majority leader.

Mr. LOTT. Mr. President, I am submitting for the RECORD a list of amendments that we have identified. I still hope some of these will be accepted on a voice vote or be worked out, but we are submitting this list for the RECORD. This would foreclose any other amendments on our side being offered, other than on that list.

I send the list to the desk and ask unanimous consent that it be printed in the RECORD.

There being no objection, the last was ordered to be printed in the RECORD, as follows:

1. Jeffords: LIHEAP.
2. McCain: Child support—Indians.
3. Chafee: Standards of eligibility.
4. Shelby: Adoption assistance.
5. Craig: Childcare.
6. Hatch: SOS EIC.
7. Helms: Food stamp—work.
8. Abraham: Illegitimacy ratio.
9. Faircloth: Funds for teenager mothers.
10. Faircloth: SSI outreach.
11. Ascrost: Children immunization.
12. Faircloth: Childcare work.
13. Bono/Abraham etc.: Waivers.
14. Gramm: Deny drug benefits.
15. Coats: Independent accounts.
16. Coats: Kinship.
17. Pressler: FS Fraud.
18. Nickles: Reports on small businesses.
19. Ascroft: Limit time.
20. D'Amato: Work requirement.
21. Lott: Manager's package.
22. Domenici: Manager's package.

Mr. LOTT. We would like to ask that a similar list be submitted from the Democratic side.

Mr. DASCHLE. That will be provided.

Mr. DOMENICI. When will that list be provided, the overall list?

Mr. DASCHLE. We will provide it within the next half-hour; even sooner. It is available. We just want to put it in a form that is presentable.

Mr. DOMENICI. Presentable.

Mr. LOTT. You are not adding any more to it? I inquire how many that is? What number is that?

I will not put you on the record, because I hope whatever it is, it will be less than that when it is submitted for the RECORD or, in fact, when they are brought up.

Mr. DASCHLE. That is our intention.

Mr. LOTT. We still have a real problem with the colleagues not being cooperative enough with us. There is no reason why we should have 40 votes on amendments on this bill. We can make our points. Some of these can be taken on voice votes. Senators insisted, ''I want a recorded vote.''

I remember one time, when Senator DASCHLE and I were in the House of Representatives, a Congressman who won on a voice vote insisted on a recorded vote and lost. There is a great message in that.

I, again, ask our colleagues, cooperate with us. There is no reason why we should have more than 10 or 12 additional amendments voted on in this process. Vote-a-ramas do not help anybody and it makes us all look very bad.

Mr. DASCHLE. Mr. President, if it is appropriate, I ask unanimous consent that the first 15 minutes of this series of amendments to be considered be for the distinguished Senator from Washington, to be joined by the Senator from Illinois, and we will dispose of the first amendment.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I say to Senator DASCHLE, I just checked as to what that amendment is. That is an amendment in the jurisdiction of the Agriculture Committee, not either Senator ROTH or myself. We were wondering if we could have someone from the Agriculture Committee—we will proceed. Do you want to go for 15 minutes?

Mr. DASCHLE. Can we do 15 minutes? I do not know if you need more.

Mr. DOMENICI. We will take up to 15 minutes. Let's get that locked in and proceed.

We will say to Senators around waiting to offer their amendments, we are going to use this 15 minutes to sequence eight or nine amendments so Senators can know when they are coming up.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Washington.

AMENDMENT NO. 4903

(Purpose: To strike amendments to the summer food service program for children)

Mrs. MURRAY. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Washington [Mrs. MURRAY] proposes an amendment numbered 4903.

Mrs. MURRAY. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike section 1206.

Mrs. MURRAY. Thank you, Mr. President.

Mr. President, I offer this amendment that simply strikes provisions relating to the Summer Food Program in the welfare bill that is in front of us. I hope this can be accepted on a voice vote. If not, we will have it be one of our recorded votes tomorrow.

Mr. SANTORUM. Mr. President, the Senate is not in order.

The PRESIDING OFFICER. The point is well taken. The Senate is not in order.

The Senator from Washington.

Mrs. MURRAY. Thank you, Mr. President.

Again, the amendment that I have sent to the desk simply strikes the provisions that are related to the Summer Food Program. As all of the Members of the Senate know, we debated the school lunch issue over the last year and a half. Understand, the consensus across this country is people believe we do need to make sure that our children get adequate nutrition. The Summer Food Program is the same argument.

The Senate bill that is before us makes an 11-percent cut to the reimbursement rate for lunches provided in the Summer Food Program. This reduction is a 23-cent cut on each lunch that is provided. It will reduce the amount of money that is provided for these lunches from $2.16 to $1.93. That is a substantial cut, Mr. President, and will have a dramatic impact on the programs offered across this country that assure each one of the children of those programs get adequate nutrition.

We have heard the arguments many times over the last year how important it is that a child get proper nutrition and, without that nutrition, is unable to learn. That is exactly what these cuts will do. They will dramatically impact the ability of our kids to have a nutritious meal in these summer programs.

It also will mean many of these summer programs will not survive. If they have to charge the people in these programs an additional $20 or $30 a month in order to make up the difference, it will mean that many of these programs will be lost, particularly in our rural areas where costs are substantial and it is very difficult for parents to come up with adequate money for these programs to begin with.

Estimates vary by State, but a recent report concluded that this cut that is being proposed in this welfare bill will result in a 30- to 35-percent drop in the number of sponsors, most of them in our rural districts. It will result in a 20-percent cut in the number of children who are able to participate, and many of the larger sponsors are going to have to drop their smaller sites.

I think it is very critical that this Senate go on record saying that we understand the nutrition needs of young children in this country today, and I urge my colleagues, hopefully by voice vote, to accept this reasonable amendment to assure that young children in this country do get the proper nutrition in the Summer Food Program that is in the welfare bill.

The PRESIDING OFFICER. Who seeks recognition?

Ms. MOSELEY-BRAUN addressed the Chair.

The PRESIDING OFFICER. The Senator from Illinois.

Ms. MOSELEY-BRAUN. Mr. President, I ask unanimous consent to speak for about 15 minutes. I probably will not use it all.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

If the Senator will suspend, the Senate is not in order. The Chair suggests that the negotiations that are going on take place in the cloakroom. It is making it very difficult for Senators to proceed.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. Thank you very much, Mr. President, for restoring order.

Mr. President, I would like to speak to the bill. Maintaining a social safety net for the poor has always been a complex and paradoxical challenge. How does one provide sufficient support for the poorest Americans while simultaneously promoting self-help and individual initiative?

The bill before us offers one approach to the problem in the current welfare system by implementing time limits on benefits, requiring individuals to work and, at the same time, increasing parental responsibility. However, the problem lies in that this bill does not focus welfare reform on the people that welfare really serves. I know you have heard me use these statistics before, but I think it is important to restate them.

There are 14 million people in this country on welfare; 9 million, or 67 percent, of those people are children, almost 60 percent of whom are below the age of 6.

Is it fair that these children lose the safety net that the Federal Government and the States have maintained for 60 years, in the name of welfare reform?

Whenever we cite problems with the current welfare system, such as encouraging family breakups or fostering dependence, I have never heard anyone arguing that we are giving children excessive resources as a complaint. Therefore, Mr. President, as we consider welfare reform today, my question remains the same as I posed months and months ago when this debate first started. What about the children?

Mr. President, may we have order?

The PRESIDING OFFICER. The Senate is not in order. Once again the Chair requests that negotiations that are going on go on inside the cloakroom.

Mr. FORD. Mr. President, there is room for staff to have seats in the back. That would help some.

The PRESIDING OFFICER. The point is well taken. If staff are not required on the floor, they can retire to the cloakroom.

The Senator from Illinois.

Ms. MOSELEY-BRAUN. I thank you again, Mr. President. I really appreciate it, and I appreciate Senator FORD's interjection.

My question remains the same: What about the children, our children? What about America's future? No one has answered that question, and all the sponsors of this initiative can do is speculate, guess, come up with hypothetical responses about the answer. What happens to the children is the great unanswered issue in this welfare reform debate.

I am sure that my colleague will recall the discussions about what happened in this country before we had a safety net for children.

We found many children being left to their own devices. Subsequently, the term ''homeless half-orphan'' was formed. I do not believe for a moment, Mr. President, the architects of this bill want to move this country back to the bad old days with homeless half-orphans and friendless foundlings and children left to their own devices begging in the streets. I do not believe that.

But I am a bit dismayed with the Members' apparent ability to conclude, while they do not yet know what the implications are for children with this bill, we still must go forward, we still must reach closure on this issue in spite of the fact that we have not answered that great unanswered question.

Many of my colleagues seem to be willing to take the chances that the States will do no harm to children. There is also, it seems to me, the perception that we have to do something no matter how misguided it may be. Frankly, Mr. President, I am concerned. I do not agree it is better to do something bad than to do nothing at all. If any of us were directly affected by this bill, if we were directly affected by what happens here, I believe we would all be a lot less willing to take that chance. That is a chance that we are now forcing on those who are the most vulnerable in our society.

I want to take this opportunity to discuss two core implications of this bill, its impact on children and the disproportionate impact on States and communities.

First, what about the children? Currently, Mr. President, 22 percent of American children live in poverty. That is about 15 million children, or one in every five. That number is twice the number of children in poverty in Canada and Australia; four times that of France and Germany, the Netherlands and Sweden.

Consequently, there are 9 million children on welfare and about 300,000 homeless children in our Nation. These facts are disheartening enough because America is the greatest country on Earth. There is no reason why we have so many kids, so many children stuck in poverty. As a Nation, we are No. 1 in terms of gross domestic product, the number of millionaires and billionaires, health technology, and defense expenditures.

It is shameful that we are number 16 in living standards among our poorest one-fifth of the children, number 18 in the gap between rich and poor children, number 18 in infant mortality rates, and number 19 in low-birthweight rates.

Mr. President, these children are not responsible for being born poor. They did not choose to have parents who refuse to play by the rules, nor do these children have the means of fighting a State or local decision made during difficult budget times.

The Department of Health and Human Services has estimated last year that about 1.5 million children would be pushed below the poverty level by last year's passed Senate welfare bill. Essentially, the same provisions that pushed children below the poverty line last year are included in this bill as well, and the result is likely to be the same.

Nearly 1.5 million American children pushed into poverty who are not today in poverty. This alone should set off the warning sirens that we are doing something wrong here, that there is something flawed with this approach. The ramifications of welfare reform should not be to push more children into poverty than are already there.

The Department of Health and Human Services, HHS, again, currently estimates that under a best-case scenario, which would be every State having 5-year time limits and exempting 20 percent of families, about 2.6 million children would be cut off of subsistence that public assistance provides now—left with absolutely nothing.

This legislation even prohibits the States from providing in-kind assistance to children whose families reach the time limits. I cannot understand, Mr. President, the reasoning behind this provision. Efforts in the Finance Committee to restore even the State option to provide noncash assistance to children were opposed and were defeated. The entire block grant approach is supposed to be—is supposed to be—predicated on State flexibility, and yet this policy in this bill says to the States that they cannot use funds, they cannot use their own money that they are already getting from the block grants to provide for the children of their States through the best possible means that they decide are the best possible means under the circumstances.

In other words, it is a mandate in a direction that cuts against flexibility. Again, it is stunning to me that that

would happen in the context of a bill that is touted as giving local flexibility. Perhaps my colleagues are tired of the question, ''What about the children?'' I cannot, however, help believing that the implications of this welfare reform genuinely are not fully understood yet. And 1.5 million children will be pushed into poverty, and 2.6 million children cut off altogether. We are not talking about 1.5 million cars or 2.6 million trees. These are children. And they are poor through no fault of their own.

Should not we, as Americans, as the wealthiest nation in the world, provide a safety net to ensure that our children do not go hungry, do not become homeless—a minimum level beneath which no American child can fall?

Adults, of course, must be held responsible and held accountable. Everyone who can work, should work. I mean, I do not think there is any debate at all by anybody on that score. There are currently about 5 million adults on welfare, lower than the number of children. But of the 5 million adults on welfare, 4 million of them, approximately, are able-bodied and can work. They, therefore, should work.

However, demanding that adult welfare recipients work is not enough. We need also to recognize there has to be 4 million jobs for those 4 million people. It is unlikely, Mr. President, that the job market can so quickly absorb that number of people.

Again, a second unanswered question in this legislation. Where does the job creation come from? How do these people find jobs? We have to be careful. We have to be certain, Mr. President, that we do not punish 9 million children based on unrealistic assumptions about the employability of 4 million adults. And that is what this legislation does.

The Massachusetts welfare program that began in November of 1995 demonstrates this fact. That program required 20,000 AFDC recipients to work at least 20 hours a week. As of June of this year, only 6,000 had actually found work. I want to point out, of that 6,000 who actually found work, 1,900 of those were working in subsidized jobs. Only 30 percent of the 20,000 individuals have found work of any sort, paid or unpaid.

Massachusetts has realized that a lack of education and skills among these parents, half of whom have never completed high school, seems to be a factor in the failure of that program so far. The State is encountering numerous unanticipated problems, including an inadequate job supply. So again, this legislation, which does not create any jobs, forces the 4 million adults into the job market, and then, thereby, if they do not find jobs, if they cannot support their families, those 9 million children will suffer. I think that these assumptions ought to be looked at very carefully as we rush to judgment on this legislation.

The second point I am going to talk about has to do with the State and community variation which I call the ''food chain'' argument. We have all heard the expression that ''all politics are local.'' Well, caring for the poor, dealing with poverty is also local. The needs of the poor do not just stop because the Federal Government decides to stop paying for it. Again, this legislation moves in that direction. The block grant program will lock in the Federal funding to the States. And no matter what happens—no matter what happens in the economy—that funding will not change.

Currently, many States, particularly in the Midwest, are experiencing revitalized growth, and welfare rolls are in fact declining. These are good economic times in this country. We heard the discussion about that this morning in committee. So, of course, many States weigh the flexibility of block grants versus the projected decline in needs and say, ''Well, OK, this program, this new initiative is acceptable to us.''

I am not surprised that many Governors concluded that block grants were acceptable because their budget estimates tended to indicate that fewer people will need welfare and that they can have this free block grant money to play with. Financially, this probably looks like a good deal to a lot of Governors.

But what happens when the business cycle takes its normal dip or, even worse, a recession? That is the time in which more difficult decisions will have to be made. Will a State raise additional revenues to meet needs, shift responsibilities to localities, or reduce benefits? That is the key question.

Although this bill includes a $2 billion contingency fund for States to tap into during economic downturns, the fine print on the access to that fund makes it clear that it will be too little and too late to help people who lose their jobs when the economy turns sour.

Some States and communities do a better job of taking care of poor people than others. Also, States and communities often start from very different positions. The Federal Government and the States have maintained a 60-year commitment to abolishing child poverty through the AFDC program. This bill would take this national problem, turn it over to the States, and say to the Governors, ''Here. Go fix it.'' I fear that a system will develop in which Governors will be forced to say to mayors and county commissioners, local governments, ''Here is a problem. Go fix it.''

The result will be of this pushing down of accountability, the successive washing of hands, that our children will become victims of geography. The benefits available to a child may depend on what State that child lives in or what region of the State that child resides in.

I want to show you a national chart, Mr. President, about the variation in child poverty rates between the States. The variation in child poverty rates between the States reflects these likely disproportionate impacts. The increase in color, from beige to red, indicates States with high poverty rates. These are the high-poverty-rate States.

You recall, I indicated 22 percent of children are below the poverty line. Well, there are great variances. In Virginia, it is a 14-percent poverty rate under the age of 6; Illinois, 18.9 percent poverty rate for children under 6; Texas, 25.6 percent poverty rate of children under 6. How can my State be expected to care for children under the same conditions as a State like Virginia with such different needs?

In all likelihood, the provisions of the bill will force the States to handle the burden for those who simply cannot find work to local units of government. Yet, there is even more in child poverty rates among counties within a State, more variation than among the States generally.

My own State of Illinois, Mr. President, is an illustration. We have an overall child poverty rate for children under 6 of almost 19 percent. However, as you can see, there is considerable variation among the counties, ranging from less than 3 percent in DuPage County, to 57 percent down here in the south, Alexander County. Virginia and Texas show a similar pattern. Texas goes from 7 percent in some counties to almost 70 percent in others.

Again, the debate surrounding the solution to those living in poverty has gone on and will probably go on for a long time. Yet, as we attempt to address this difficult issue, let us not relive a past where we turn over the problem and let children fend for themselves.

The PRESIDING OFFICER. The time of the Senator has expired.

Ms. MOSELEY-BRAUN. I ask unanimous consent for an additional 2 minutes.

Mr. DOMENICI. I have no objection.

The PRESIDING OFFICER. The Senator is recognized for 2 additional minutes.

Ms. MOSELEY-BRAUN. This bill aims to make people more responsible and may have some minor success in achieving that objective. However, in teaching others responsibility, let us not forget our own responsibility. Let us not just wash our hands of the responsibility we have to the children of this Nation, as we hand it down to States and local communities. The existing disparities between State and local communities will only be exacerbated, and our children, these American children, will be the losers.

Mr. President, welfare reform is necessary. Few would argue that we need to do something to encourage change here, to give people a chance, to give them the opportunity to pull themselves up by their bootstraps and take care of their own children. Welfare reform must be based on welfare reality, not welfare mythology. We must not forget who the real victims are, or beneficiaries are, depending on your point of view—our Nation's children.

In the absence of information, in the absence of real data about the impact of this legislation, we should not abandon our responsibility to be thoughtful as we approach our legislative duties.

I want to say in conclusion, Mr. President, I was with my son one time and we were driving down the street. He asked why there were so many homeless people. I tried to describe to him it was a function of failed policy. Folks just did not pay attention to decisions they were making when we made some decisions in terms of the mentally ill. The result is we have people laying in the gutters talking to themselves in the alleys.

Mr. President, I do not want to look up 5 years from now and discover we have children living in the gutters, sleeping on the streets, and begging on the corners because we did not wait until HHS or anybody else could come up with decent numbers regarding the impact of our decision, that we did not think about the fact that counties within a State had variations, that we did not think about the economic impact.

Mr. President, I understand it is a popular issue. I understand it is a political issue. I say, Mr. President, and I quote my colleague, Senator MOYNIHAN, who said at one point that this is the most regressive social legislation we have seen in this century. It is for that reason that I am going to oppose this, as I have opposed this legislation.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. I yield myself such time as I may consume.

Mr. President, I rise in opposition to the Murray amendment for a couple of reasons. No. 1, there is no offset identified in the Murray amendment. For the information of Members, what that means is we have $214 million of savings that the Agriculture Committee was required to come up with that now we are going to have to come up with savings somewhere else, in some other program, which, given where the big money is in the agriculture bill, we are talking about looking at the Food Stamp Program.

We have already heard from many Members on the other side that the Food Stamp Program already has been squeezed, so we are back to a very tough decision. That is a very important reason to oppose this amendment.

No. 2, really, this amendment is not necessary to continue to meet the needs of the summer feeding programs for children. The reason I say that is because the rates that are in the underlying bill for the Summer Food Service Program for lunch is $1.93 a meal. The ordinary rate for a lunch, a school lunch, in an ordinary school in America during the year is $1.79. Let me repeat that: The ordinary rate for a school lunch during the year, during the school year, is $1.79. The rate in the bill for a lunch during the summer is $1.93 for that lunch. That, by the way, that reimbursement rate is roughly equivalent to the amount we pay to severe-need schools. Those are schools that have at least 60 percent of their children at the school who are in poverty. So we are paying a rate, actually, slightly above the rate that we pay during the school year for severe-need schools.

Now, I understand that the Summer Food Service Program for Children is targeted at poor communities, but we are paying a reimbursement rate here which is equal to the rate we pay to poor communities during the school year. So I guess we believe that this was a responsible place to find a reduction, that we are still paying enough money for school lunches, to encourage venders to participate, schools to participate in providing the service for children throughout the summer.

If we do not make a reduction in this program, and I think it is a judicious reduction, then we have to come up with money from someplace else in the budget, which may, in fact, be tougher on children than the reduction proposed in the underlying bill.

I encourage Members to oppose the Murray amendment for those reasons. I reserve the balance of my time.

Mrs. MURRAY. Mr. President, I will be very brief because I know there are a number of Senators who want to offer amendments.

I heard two arguments, one that there is no offset. It is my understanding that when this Senate struck the Medicaid provisions in this bill, that had a $70 billion impact, without worrying about where the offsets were. So in this provision, it only affects $24 million. I say because it is the right policy that we care for our children and make sure they have nutritious foods, it seems legitimate and like-minded to do what we have done with the Medicaid provision in this bill.

Second, the other argument was that the price for these meals is higher than what is offered during the school year. That is, of course, true, because during the school year the volume, the number of children that are served is quite large, is much larger. In the summer, we are serving fewer students, and, therefore, the cost of meals goes up.

Second, during the school year, the facility is provided. During the summer, programs have to pay for the sites, and the cost goes up prohibitively because of that. That is why the summer program costs more than the school-year program.

It is a very legitimate concern. I will again say that the bill reduces the amount of the program by 23 cents on each lunch. That will have a dramatic impact. We will lose sites, especially in rural areas, and see as much as a 35-percent drop in the number of programs that are able to offer this.

Again, I urge my colleagues to support this amendment tomorrow morning. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. SANTORUM. My response to that, Mr. President, first, the Senator from Washington knows the fact is that the Agriculture Committee was given a reconciliation instruction, and by removing this part from that portion of the bill we will have to come up with money elsewhere. It is not like Medicaid is part of that instruction. It is not. It is a separate instruction, a separate area, an area that is gone for now. We are deeming with this portion of the bill.

We cannot just say we cut something somewhere else, and, therefore, we should not worry about it here. It is apples and oranges. We do have to come up with the money somewhere else. I think this is a reasonable place to come up with it. The rate of $1.93 was increased in the committee by Senator LEAHY. He sought to increase it more himself, but he recognized that to do that he would have had to find savings somewhere else. It was his judgment—obviously, by his amendment—that this was an area that could afford a reduction more than other areas of the agriculture budget. And so I think, going from the attempt that he made in committee, that this was probably the best place to find the reduction at the time. So I ask, again, that Members oppose the amendment.

I yield the remainder of my time.

The PRESIDING OFFICER. Who seeks recognition?

Mr. DOMENICI. Mr. President, has the Senator yielded back her time?

Mrs. MURRAY. How much time is left?

The PRESIDING OFFICER. The Senator has approximately 5 minutes left.

Mrs. MURRAY. Mr. President, I will simply conclude by saying that we have had this argument about the importance of providing nutritious meals for our kids so they have the ability to learn and learn well.

I urge my colleagues to remember those children when we vote on this amendment tomorrow morning.

I yield the remainder of my time.

Mr. DOMENICI. Mr. President, I am going to try to just informally establish a little bit of the order, so that Senators who know they are going to offer amendments tonight will kind of know the sequencing. The first thing we would like to do, however, is to ask the distinguished chairman of the Finance Committee to shortly offer three amendments, en bloc, which have been cleared on both sides.

The order would be as follows: We have just completed debate on Murray. Next would be Senator FAIRCLOTH on our side. He has two amendments. We will have the first Faircloth amendment. Senator BREAUX would be next.

Mr. FORD. If the Senator will yield, are we going to try to have time agreements on these?

Mr. DOMENICI. I tried that a while ago, and we decided to just wait on each one.

Mr. FORD. I was just hoping.

Mr. DOMENICI. I am hoping, too. Senator FAIRCLOTH is not going to take much time. Maybe we can get an agreement now. While we are waiting for him, to put everybody on notice, Senator BREAUX would follow Senator FAIRCLOTH.

There will be a second Faircloth amendment, to be followed by Senator BIDEN. And then we would have a Santorum-Frist amendment with reference to waiver. Then there will be a Senator Harkin amendment and then an Ashcroft amendment. Then we would have Senator WELLSTONE, who, I believe, has two. We would be pleased to let him proceed with two in sequence. And then we would have Senator GRAHAM of Florida and Senator DODD.

If we can complete those, we will be set up for a vote in the morning on 11 amendments. Senator FAIRCLOTH will be right along. We will ask for 15 minutes to a side, if that is satisfactory.

Mr. FORD. That suits me. If we can get a finite time or an understanding, it would be helpful to all concerned.

Mr. DOMENICI. If the Senator is prepared, can Senator FAIRCLOTH agree to 15 minutes on his amendment?

Mr. FAIRCLOTH. I can do it in about 3 minutes. They are bringing it over from the office.

Mr. FORD. Would it be all right for Senator BREAUX to go ahead with his?

Mr. FAIRCLOTH. I only need about 3 minutes for just a brief description.

Mr. DOMENICI. Senator FAIRCLOTH wants 3 minutes. How much does the opposition want?

Mr. FORD. I do not know whether we will oppose it. Give us 3 minutes.

Mr. DOMENICI. I ask unanimous consent that there be 3 minutes to a side on the Faircloth amendment, and that it be the next amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. I ask unanimous consent that no second-degrees be in order to the Faircloth amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. How much time would Senator BREAUX like on his amendment?

Mr. BREAUX. I think 10 minutes.

Mr. DOMENICI. I ask unanimous consent that there be 10 minutes on each side on the Breaux amendment, with no second-degrees in order.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. DOMENICI. Senator FAIRCLOTH has a second amendment. While we are waiting for him, does anybody know if 15 minutes will be satisfactory for Senator BIDEN?

Mr. FORD. He has a total substitute, so it will be a little longer, probably.

Mr. DOMENICI. On Senator FAIRCLOTH's second amendment, I ask unanimous consent that there be 3 minutes on a side, with no second-degrees in order to that amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOMENICI. We have Senator BIDEN's amendment, and we are trying to find out what he would like. In the meantime, will Senator SANTORUM, Senator FRIST, and Senator ABRAHAM decide what they need? And then we will lock that in shortly. Those three Senators are participating in waiver amendments.

I yield the floor and suggest the absence of a quorum, and I ask unanimous consent that the time be charged equally.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROTH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. Mr. President, I have a unanimous consent agreement to propound to dispose of four amendments which have been agreed to on both sides of the aisle. These amendments are Senator JEFFORDS' amendment to protect recipients of Federal energy assistance; the second is Senator GREGG's amendment to require administrative summons to request child support information from public utilities; the third is Senator MCCAIN's amendment to allow child support agencies to enter into cooperative agreements with Indian tribes; and the fourth, Senator COATS' amendment relating to placing children separated from their parents with a relative. Senator WYDEN is a cosponsor of this amendment.

Mr. President, I ask unanimous consent that it be in order for me to offer these four amendments, which I now send to the desk en bloc, that they be considered and agreed to en bloc, and that the motions to table and the motions to reconsider be agreed upon en bloc, and that they appear on the RECORD as if considered individually.

Mr. FORD. Mr. President, reserving the right to object, I apologize. We have failed, and those on the other side have failed, to talk to the ranking member of the Indian Affairs Committee, Senator INOUYE. It has not been cleared with him yet. I suspect that it will be. But I hope that the Senator will withhold this until such time as we might contact him. And that would be within a minute or two.

Mr. ROTH. Mr. President, I withhold my request until such time as we hear from the senior Senator from Hawaii.

Mr. FORD. Mr. President, why don't we ask unanimous consent that this motion be set aside? It would automatically come back, I say to the Senator, if that is all right. I ask unanimous consent, then, that this amendment be set aside so that we might proceed to the Faircloth amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Under the previous order, Senator FAIRCLOTH is recognized for 3 minutes.

AMENDMENT NO. 4905

(Purpose: To prohibit recruitment activities in SSI outreach programs, demonstration projects, and other administrative activities)

Mr. FAIRCLOTH. Mr. President, this is a very simple one but is a very direct one and I think a very important one to the American taxpayers.

I am offering an amendment which clarifies that no Federal funds should be used for recruitment activities in the SSI program.

I send the amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. FAIRCLOTH) proposes an amendment numbered 4905.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 399, between lines 10 and 11, insert the following:

Subchapter F—Other Provisions

**SEC. 2241. PROHIBITION OF RECRUITMENT ACTIVITIES.**

(a) IN GENERAL.—Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

''PROHIBITION OF RECRUITMENT ACTIVITIES

''Nothing in this title shall be construed to authorize recruitment activities under this title, including with respect to any outreach programs or demonstration projects.''.

Mr. FAIRCLOTH. Mr. President, this amendment says very simply that we will not use the taxpayers' money to solicit people to come into the SSI program, which we are doing, and spending massive amounts of taxpayers' dollars to solicit people to come and sign up for SSI benefits. We are doing it through mailing, advertising, and even door-to-door solicitation with people who are hired and paid by the Federal Government. SSI outreach programs are used to try to maximize participation in the SSI program.

I believe we owe it to the American people to assure them that we are using the hard-earned dollars that we spend on welfare programs only to provide assistance to the truly needy and that we are not out spending more of their money and hiring bureaucrats to solicit people to come get their money.

So this is a very simple program. It forbids the use of Federal funds for the recruitment of people into the SSI program. I do not think we should be hiring people to solicit people to come get welfare.

Mr. President, I yield the remainder of my time.

Mr. BREAUX addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana.

Mr. BREAUX. I thank the Chair.

Mr. President, I was just looking at the amendment. It is the first time I

have had the opportunity to see it and read it. The Social Security Disability Program that the Senator is referring to is essentially cash benefits for disabled people, most of which are elderly.

The question I am concerned about when the Senator's amendment says ''nothing shall be construed to authorize recruitment activities, including any outreach program, or demonstration projects,'' I think it is important that the agencies let people know what the program is about.

I tend to agree with the Senator about going out and trying to recruit people to come in and engage in a program that is there. But is the Senator's amendment intended to prohibit trying to let people know what is in the program? Would they be prohibited under the Senator's amendment from telling people about what the program does and how it works?

Mr. FAIRCLOTH. It would not prohibit them from telling them if they come in and ask about it. They can come into the Social Security office and ask about the program. They would be told.

Mr. BREAUX. Let me ask the Senator something further. We have a lot of Federal programs that provide benefits and loans. For instance, the Senator is aware of the farm programs. The Farmers Home Administration has loan programs and things that are beneficial to farmers. They try to communicate that information to the farm community to let them know that we have a program that does the following three things. ''If you are interested, come in and talk to us.''

Would this prohibit the Social Security people from doing the same thing that other Federal programs are able to do with regard to informing people about the benefits of the program?

Mr. FAIRCLOTH. I am not sure how they inform all the people about the programs because there are many Federal programs and many, many ways of informing people. But we have simply created here an issue that we could simply go out and solicit door to door. We bring people in to try to get the benefits. If they come to the office and ask about the program, then it certainly is perfectly all right.

Mr. BREAUX. Would his amendment prohibit publishing a brochure describing what the program does?

Mr. FAIRCLOTH. No, not if they kept it in the office, but not start mailing them and delivering them door to door.

Mr. BREAUX. The concern I have is that it is sort of like we will have a Federal program, but we are going to hide it; that we are not going to let anybody know about it. I do not think that a Federal agency should go out and recruit people to benefit from a program. If a program is a legal program, I am concerned about getting to the point of trying to say we are going to have this program but we do not want to tell anybody about it. If you are lucky enough to find out about it on your own, maybe you could come and apply for the benefits. We are talking about people who are disabled. A lot of them are disabled. They cannot get anywhere. How do they find out about it?

Mr. FAIRCLOTH. The Senator is well aware that we have never had a Government program in which we have given away money that was not well advertised.

Mr. BREAUX. My concern is we are taking about a disabled person who may be homebound and who cannot get out. They are disabled. We are talking about disabled people. That person is disabled. How are they going to find out about the program if you cannot tell them about it?

Mr. FAIRCLOTH. They are going to find out about the program.

Mr. BREAUX. I am wondering how they would find out about the program. How?

Mr. FAIRCLOTH. Innumerable ways; family members. They will find out about the program. But we have gone out soliciting people door to door that are not homebound, that are not sick.

Mr. BREAUX. Let me ask the Senator this question.

Would his amendment prohibit the Social Security Administration from getting a list from the county health authority on people who are disabled and then sending them a brochure telling them about the benefits?

Mr. FAIRCLOTH. Getting this from where?

Mr. BREAUX. Would the Senator's amendment prohibit the Social Security Administration from getting a list of people who are disabled from the county health authority and then sending them a brochure describing what the benefits are?

Mr. FAIRCLOTH. No, the amendment would not prohibit that. I would be willing to amend it so we could do that. That is certainly within the realm of what we could do. But door-to-door solicitation, big ads in the newspaper, come-and-get-it type ads, that is what I am trying to get at.

Mr. BREAUX. The Senator is aiming at door-to-door solicitation and running ads advertising the program, but other than that, communicating by any other means would be legitimate communication?

Mr. FAIRCLOTH. They can do it if they do not use Federal funds. There are many advocacy groups that are working and soliciting—I am saying advocacy groups cannot use Federal funds.

Mr. BREAUX. Is the Senator saying the Social Security Administration could not use funds to print a brochure to describe the benefits?

Mr. FAIRCLOTH. They can print the brochure, they can mail it, but they cannot give money to advocacy groups going door to door.

Mr. BREAUX. Could they mail it to the disabled?

Mr. FAIRCLOTH. Certainly. Who else would you mail it to?

Mr. BREAUX. I just want to make sure we are not trying to hide the program so well nobody will ever find out anything about it.

Mr. FAIRCLOTH. I do not think there has ever been a Federal program in which we gave away money like we have with SSI that was very well hidden.

Mr. BREAUX. I wonder under the unanimous-consent agreement whether the Senator's amendment would be amendable.

Mr. FAIRCLOTH. It would be amendable, yes.

Mr. BREAUX. It would be. Would it take unanimous consent to amend it?

Mr. FAIRCLOTH. It would not.

The PRESIDING OFFICER (Mr. SMITH). The Chair would inform the Senators the time on the amendment has expired.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. May I ask the distinguished Senator from North Carolina a question. I understood the Senator to say to the Senator from Louisiana he would be able to amend it to be sure that door-to-door solicitation and that sort of thing was not acceptable but what he explained would be. Is there a chance we might set it aside and work out an agreement so it could be accepted and we would not have a vote?

Mr. FAIRCLOTH. That would be agreeable, yes.

Mr. FORD. I ask unanimous consent then that the Faircloth amendment be set aside temporarily.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. FORD. Now, Mr. President, as I understand it, the Roth proposal is now the pending business?

Mr. BREAUX. I do not think so.

The PRESIDING OFFICER. The Roth amendment was withdrawn by consent. The Senator can renew the request.

Mr. FORD. All right, I ask him to renew it then, because at the time I was the culprit because we had not checked completely with the ranking members and now it has been cleared and we are in full support of Senator ROTH's proposal.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Delaware? Is there objection? The Chair hears none, and it is so ordered.

AMENDMENTS NOS. 4906 THROUGH 4909, EN BLOC

Mr. ROTH. Mr. President, I would ask permission to renew my request that the four amendments which I identified earlier be agreed to en bloc, they be considered and agreed to en bloc, that the motions to table the motions to reconsider be agreed to en bloc, and that they appear in the RECORD as if considered individually.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report the amendments by number.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes amendments en bloc numbered 4906 through 4909.

The amendments (Nos. 4906 through 4909), en bloc, are as follows:

AMENDMENT NO. 4906

(Purpose: To protect recipients of federal energy assistance)

Beginning on page 1–5, strike line 18 and all that follows through page 1–7, line 12, and insert the following:

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: ''(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law, or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,''.

(b) CONFORMING AMENDMENTS.—Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''plan for aid to families with dependent children approved'' and inserting ''program funded''; and

(B) in subparagraph (B), by striking '', not including energy or utility-cost assistance,'';

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) a payment or allowance described in subsection (d)(11);''; and

(3) by adding at the end the following:

''(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

''(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law to provide energy assistance to a household shall be considered money payable directly to the household.

''(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.''.

Mr. JEFFORDS. Mr. President, I wish to correct what I think is a serious problem with this bill. I ask my colleagues to support my amendment to remove from the welfare section of this bill those provisions that unfairly burden poor families who rely on both food stamps and Federal energy assistance. Not only does the bill change a long-standing bipartisan policy, it does so without bringing any savings to the bill.

As it's currently drafted, S. 1956 will cut the food stamp benefits of poor families and elderly people who receive Federal low-income energy assistance. The bill achieves this end by counting LIHEAP benefits as though they were income available to families to purchase food. The result is that any time a poor family with children or an elderly person receives Federal help to pay a fuel bill, they'll get less in food stamp benefits that month.

The good news is this is a very easy provision to fix. Linking LIHEAP benefits to food stamp eligibility doesn't add any savings to the bill because under new scoring policies, CBO doesn't score any savings to this provision. We can remove this harsh provision from the bill without reducing our welfare savings.

I'd like to take a few minutes now to remind my colleagues of the importance of both the Food Stamp Program and the energy assistance program to our most vulnerable populations.

Who is receiving food stamps?

Households with children—80 percent of the food stamp population.

Elderly people—another 7 percent.

People living at half the poverty level—more than half of all food stamp benefits go to people living at half the poverty level.

That's who's getting food stamps—families with children, the elderly, and extremely poor people, Food stamps benefit our most vulnerable populations. We can't lost sight of that fact.

LIHEAP, too, serves the poorest of the poor:

Households with incomes less than $8,000—two-thirds of LIHEAP funds goes to these households.

Half of the households receiving LIHEAP have incomes below $6,000.

One-third of LIHEAP households have elderly people living in them.

One-third of LIHEAP households have disabled people living there.

LIHEAP is the program that prevents many disadvantaged households from having to choose between putting food on the table or heating or cooling their homes.

What we've done in the bill as drafted is force people to make that choice again. If they need help heating or cooling their homes, there will be less food stamp benefits available to them. In households with incomes of less than $8,000, we shouldn't be forcing people to make that choice.

Food and shelter are very basic human needs. On $8,000 a year, there can be no doubt that the entire household income must be devoted to meeting the needs of basic human existence: clothing, medical care, and maybe transportation. In my mind, it's simply bad policy to force those basic needs to compete with each other.

This welfare reform package is about helping people to get back on their feet: helping them to move beyond poverty and dependence into productive and contributing citizenship. To the extent that we're talking about populations we don't expect to hold down jobs: the severely disabled, the elderly, and children—this policy is even more problematic. Either way, we need to make sure that people have the fuel they need to heat their homes, or cool them if that's necessary. We need to make sure people have food for their children and for themselves. It's not a one or the other proposition—people need both. Federal law has recognized this fact since the mid-1980's, and there's no reason to change the policy now.

For many years, it has been our policy to not count aid provided under LIHEAP assistance as income. Members of both parties have recognized in the past that reducing the food stamps of LIHEAP recipients would be counterproductive. Do we really want a policy that says ''whenever LIHEAP helps a poor family or elderly person pay high utility bills, they well have their food stamps cut?'' I don't believe we're really helping if we implement this policy. People will still face major difficulty in paying basic bills and securing adequate food at the same time.

According to CBO estimates, the welfare bill already cuts the Food Stamp Program by $28 billion over the next 6 years. The food stamp cuts in this bill are $4 billion deeper than the cuts in those years under last year's Senate welfare bill. The cuts in the benefits of the households receiving energy assistance would be on top of the food stamp benefit reductions already in the bill. Since the provision cutting the food stamps of poor households that receive LIHEAP doesn't score any savings, we should remove this link from the bill and retain current law.

Again, I urge my colleagues to join me and my colleagues, Senators SNOWE, CHAFEE, COHEN, LEAHY, LIEBERMAN, SIMON, KENNEDY, KOHL, and WELLSTONE in supporting this amendment.

AMENDMENT NO. 4907

(Purpose: To modify the requirement for expedited procedures to establish paternity and to establish, modify, and enforce support obligations)

Beginning on page 467, line 22, strike all through page 469, line 18, and insert the following:

''(D) ACCESS TO INFORMATION CONTAINED IN CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

''(i) Records of other State and local government agencies, including—

''(I) vital statistics (including records of marriage, birth, and divorce);

''(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

''(III) records concerning real and titled personal property;

''(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

''(V) employment security records;

''(VI) records of agencies administering public assistance programs;

''(VII) records of the motor vehicle department; and

''(VIII) corrections records.

''(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

''(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies, pursuant to an administrative subpoena authorized by subparagraph (B); and

''(II) information (including information on assets and liabilities) on such individuals held by financial institutions.

Mr. CRAIG. Mr. President, my amendment will bring the child support enforcement language in this bill

in line with Federal law on privacy protections. I understand it has been accepted by the committee, so I will keep my remarks brief. I sincerely appreciate the help and support of the chairman, Senator ROTH, and the ranking member, Senator MOYNIHAN.

Mr. President, part of our effort to reform the welfare system in this country has been to ensure that parents are responsible for the financial support of their children. Efforts to streamline the ability of States to identify and collect child support payments from dead-beat parents is a big part of the Personal Responsibility and Work Opportunity Act of 1996. In our ardent effort to accomplish this, however, we must also remain mindful of legal protections that should be provided for private entities that would be required to supply necessary information for the enhanced enforcement of child support payments.

It is important to note that the private entities that will be required to participate in the bill's support enforcement efforts should be able to operate within the constraints of existing laws designed to protect privacy.

Current privacy protections in Federal law (18 U.S.C. §2703), require that private information can be provided only pursuant to a warrant, court order, or administrative subpoena. The bill's current provisions, which allow States to obtain information by merely requesting it, would be in conflict with this Federal statute. Without addressing this issue, the bill would put private entities such as telephone companies in a needlessly difficult situation. My amendment will resolve this problem.

In short, Mr. President, what my amendment would do is allow States the ability to obtain this information in the simplest manner, while complying with Federal statute, by requiring only an administrative subpoena for the procurement of private information for the purposes of child support enforcement. It will also provide these private entities with the necessary protection from lawsuits.

An administrative subpoena is not an onerous or time-consuming requirement for State agencies. In fact, in the States where it is currently used, the device actually streamlines the process of obtaining necessary information. Under an administrative subpoena, if preapproved conditions and standards are met, an agency has the authority to issue a subpoena without having to submit individual cases for a court's approval. In fact, it is my understanding that some States allow certain individuals, within an appropriate agency, the authority to issue subpoenas. For example, that could include a caseworker, who is working directly with the issue, to issue an administrative subpoena. This procedure is recognized by courts, and allows agencies to quickly obtain information, while providing private entities the necessary protection from lawsuits based on the unauthorized release of private information.

Mr. President, the private entities involved, such as telephone companies, have a good record of complying with these requests, and working with agencies within the constraints of the law. Given that fact, and an expressed desire on the part of industry to be able to continue those efforts under this legislation, this minor change needs to be made. Otherwise, we could see a new problem arise with less timely compliance on the part of industry, if the protections of an administrative subpoena are not guaranteed.

As I mentioned before, I thank the committee for their assistance and for accepting this amendment.

AMENDMENT NO. 4908

(Purpose: To provide for child support enforcement agreements between the States and Indian tribes or tribal organizations)

On page 411, between lines 2 and 3, insert the following:

''(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

On page 411, line 3, strike ''(3)'' and insert ''(4)''.

On page 554, between lines 7 and 8, insert the following:

**SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.**

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking ''and'' at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting ''; and'';

(3) by adding after paragraph (32) the following new paragraph:

''(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: ''Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).''.

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

''(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).''.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting ''and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))'' after ''law enforcement officials''.

(d) CONFORMING AMENDMENT.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

''(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.''.

Mr. MCCAIN. Mr. President, I thank my colleagues, Senators INOUYE, DOMENICI, and DASCHLE, for joining me in offering this important amendment.

The amendment is similar to provisions adopted by the Senate during debate last year on H.R. 4, the original welfare reform bill. The amendment has bipartisan support, and as revised, is now endorsed by the National Council of State Child Support Enforcement Administrators.

The non-controversial amendment I am offering should be adopted because it addresses a long-standing problem which Indian tribes and States have both experienced in providing child support enforcement services and funding affecting Indian children.

The amendment would further the goals of enforcing child support enforcement activities by encouraging State governments with Indian lands within their borders to enter into cooperative agreements with Indian tribal governments for the delivery of child support enforcement services in Indian country. Let me repeat—the cooperative agreements would be encouraged; they would not be mandated.

The amendment provides funding to achieve these purposes within the overall spending allocated to this effort. It gives the Secretary the authority, in specific instances, to provide direct Federal funding to Indian tribes operating an approved child support enforcement plan. This approach is consistent with the government-to-government relationship between tribal governments and the Federal Government, and the other provisions contained in the reconciliation measure.

Mr. President, the problem is this—title IV–D of the Social Security Act

was enacted to assist all children in obtaining support and moving out of poverty. Under title IV–D, State child support offices are required to provide basic services to parents who apply for these services, including those that receive welfare assistance. These services include collecting and distributing child support payments from dead beat dads. Yet this program has been of little assistance to Indian children residing in Indian country because under title IV–D, only States are eligible to receive Federal funds to operate IV–D programs under Federal regulations which, as a practical matter, all but prohibits them from providing services to Indian children on reservations. Because of this, Indian children have lost, and will continue to lose, vitally-needed services.

Mr. President, there is a great need for child support enforcement funding and services in Indian country. There are approximately 557 federally-recognized Indian tribes and Alaska Native villages in the United States. According to the most recent Bureau of Census data, children under the age of 18 make up the largest age group of Indians. Approximately 20.5 percent of American Indians and Alaska Natives are under the age of 10 compared to 14 percent for the Nation's total population. In addition, one out of every five Indian households are headed by single females. This data reveals that the need for coordinated child support enforcement and service delivery in Indian country exceeds the need in the rest of America.

There are also jurisdictional barriers to effective service delivery under IV–D programs on Indian reservations. Federal courts have held that Indian tribes, not States, have authority over Indian child support enforcement issues and paternity establishment of tribal members residing and working on the reservation. These jurisdictional safeguards, although necessary, have hampered State child support agencies in their efforts to negotiate agreements for the provision of services or funding to Indian tribal governments. The types of services provided under title IV–D include genetic blood testing and other measures used to establish paternity, and the establishment and enforcement of child support obligations through wage withholdings and tax intercepts. These activities fall within the exclusive jurisdiction of the Indian tribes for reservation residents. Yet there is no mechanism to enable tribes to receive Federal funding and assistance to conduct these activities.

This amendment in no way forces or compels an Indian tribe or State to act, nor does it affect well-established State or tribal jurisdiction to establish paternity or support orders. It merely recognizes the problems of child support collection and distribution between States and tribes as they exist under the current system. Simply put, this amendment encourages cooperative agreements between two governments to satisfy the goals and purposes of uniform child support enforcement. Let me just point out that some of these agreements are already in place in States like Washington and Arizona.

State administrators, such as in my own State, have attempted to meet the goals of uniform child support enforcement by extending their efforts to Indian country, but the administrative and jurisdictional hurdles make it all but impossible to get these services out to the children in need. These obstacles have lead to costly litigation. The ability of State governments to work with tribal governments to provide these services is quite limited because Indian tribes are not mentioned in title IV–D. The amendment would clarify that Indian children are entitled to the same protections from deadbeat dads as all other children in our country.

Mr. President, this problem is not new to those involved in State child support enforcement agencies or national organizations concerned with these issues. For instance, in 1992, the American Bar Association and the Interstate Commission on Child Support Enforcement recognized the problems created by the omission of Indian tribes from the title IV–D legislation. In fact, the American Bar Association issued a handbook for States and tribes to use in attempting to negotiate State/tribal cooperative agreements for child support enforcement. Also in an extensive report issued in 1992, the Interstate Commission on Child Support Enforcement recommended that the Congress address this problem in Federal legislation. Until now, nothing has been done to implement this recommendation.

More recently, I received a letter from the President of the National Council of State Child Support Enforcement Administrators in support of the amendment I am offering. Mr. President, I ask unanimous consent that a copy of the letter appear in the RECORD following my remarks.

I will also say that there are several other weaknesses in our welfare reform bill that I remain very concerned about, issues raised by Indian tribes that have not been adequately addressed. The amendment I am offering does not address those concerns. But I want to take this opportunity to briefly outline the deficiencies I see.

The welfare reform legislation we have before us eliminates the Child Protection Block Grant Program. I am concerned because the elimination of this program takes away the funding that tribes currently receive under the title IV–B child welfare programs.

Currently tribes receive funding under the title IV–B, subpart 1 program, known as child welfare services. The Secretary is directed to make grants to tribes, but the law does not specify a particular amount. Previous HHS regulations were very restrictive, and required that only those tribes which contracted under the Indian Self-Determination Act for all BIA social services were eligible for the IV–B, subpart 1 program. The result was that relatively few tribes were able to access this program. But HHS has recently revised, and greatly improved, the regulations for funding to tribes. Beginning in fiscal year 1996, HHS changed the IV–B Subpart 1 regulations to drop the requirement that only those tribes which contract for BIA social services would be eligible. The new regulations also increased the weight given to tribes in the formula, and they combined the IV–B incentive funds with the regular program, thus making more money available. Tribes are still in the process of applying for Title IV–B, subpart 1 funds under the new regulations. HHS Region X reports that the fiscal year 1996 applications from tribes thus far represent a 3-fold increase over those of 2 years ago. And they expect more tribes to apply before the end of the fiscal year.

Tribes also receive under current law a statutory 1 percent allocation under the title IV-B, subpart 2, Family Preservation and Support Services. But the welfare reform bill under consideration in the Senate today removes all funding for the child protection block grant program, meaning that Indian tribes will likely lose these funds.

The House version of the bill, however, does provide for funding for the Child Protection Block Grant, including Indian tribes. Under the House bill, there are two streams of funding for the Child Protection Block Grant. First, under the House bill, Indian tribes would receive 1 percent of funds under the mandatory money, or about $2.4 million annually. And tribes would be authorized to receive .36 percent, or about ⅓ of 1 percent of the discretionary stream of funding. If the discretionary program is fully appropriated, tribes would receive about $1 million under this section of the Child Protection Block Grant. This .36 percent reflects the amount tribes received under the very restrictive title IV-B, subpart 1 regulations.

I urge the conferees to adopt a figure which would reflect the amount of IV-B, Subpart 1 funds tribes would receive under the new regulations. As a rule, the relative funding levels provided to Indian tribes should, at the very least, not be reduced below previous levels. I have refrained at this time from offering amendments in the Senate in the hope that the conferees will ensure that Indian tribes are at least held harmless on these funds in the final version of the bill at conference. I urge the conferees to adopt the House approach in providing direct funding to tribes under the Child Protection Block Grant. We should make the funding under the discretionary program consistent with the mandatory funding in the Child Protection block grant and provide at least 1 percent for tribes.

With that, Mr. President, I ask that my colleagues accept the amendment I am offering today that would allow

States and Indian tribes to cooperate on child support enforcement activities.

There being no objection, the letter referred to was ordered to be printed in the RECORD, as follows:

NATIONAL COUNCIL OF STATE CHILD SUPPORT ENFORCEMENT ADMINISTRATORS, *July 18, 1996.*

Re Senator McCain's Senate Floor amendment to Senate bill 1956, the Balanced Budget Reconciliation Act.

Hon. JOHN MCCAIN, *Chairman,*
*Senate Committee on Indian Affairs,*
Hon. WILLIAM V. ROTH, *Chairman,*
*Senate Finance Committee,*
Hon. PETE V. DOMENICI, *Chairman,*
*Senate Budget Committee, Washington, DC*

GENTLEMEN: I am writing you on behalf of the National Council of State Child Support Enforcement Administrators (NCSCSEA) in reference to the amendment offered on the Senate floor by Senator McCain regarding child support enforcement services to Native Americans.

The amendment has been reviewed by the members of NCSCSEA's Committee on Native American Children. Although not all members of the Committee have responded on the amendment, a majority of the Committee members have indicated their support of it. Therefore, I feel comfortable expressing NCSCSEA's support for this amendment.

We feel this is an important step toward the goal of providing all children the benefits of child support enforcement. On behalf of NCSCSEA, I want to express our appreciation to Senator McCain for his efforts on this important issue.

Sincerely,

LESLIE L. FRYE,
*President.*

AMENDMENT NO. 4909

(Purpose: To require a State plan for foster care and adoption assistance to provide for the protection of the rights of families, using adult relatives as the preferred placement for children separated from their parents where such relatives meet the relevant State child protection standards)

At the end of chapter 7, of subtitle A, of title II, add the following:

**SEC. ___. KINSHIP CARE.**

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking ''and'' at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(18) provides that States shall give preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.''.

Mr. COATS. Mr. President, each year, scores of abused, neglected, and abandoned children are herded into the world of child protection to be cared for by strangers. For many of these children, foster care will be a refuge, for others, a nightmare. Being separated from a parent is never easy, but we can make the transition smoother by looking to relatives when a child must be removed from his home.

And so I wish, with my colleague from Oregon, to introduce the kinship care amendment. This amendment encourages States to use adult relatives as the preferred placement option for children separated from their parents. We are introducing this amendment because we feel strongly that if a child has to be separated from their parents for a period of time, that separation should be as smooth as possible.

Kinship care is a time honored tradition in most cultures. Care of children by kin is strongly tied to family preservation. These relationships may stabilize family situations, ensure the protection of children, and prevent the need to separate children from their parents and place them in a formal foster care arrangement within the child welfare system.

Yet, rather than encourage relative or kinship care some States have made it increasingly difficult for relatives to provide care for their own. Immense financial, emotional, and regulatory challenges are often barriers willing kinship caregivers.

The amendment I am offering is consistent with current law. The Adoption Assistance and Child Welfare Act of 1980, Public Law 96–272, requires that when children are separated from their parents and placed in the custody of a public child welfare agency, the State must place them in the least restrictive alternative available. While relatives are not expressly mentioned, this requirement has been interpreted by many child welfare practitioners as a preference for placement with relatives when separation from parents must occur.

Mr. President, this amendment is also consistent with previous positions I have taken on this matter. In S. 919, the 1995 amendments to the Child Abuse Prevention and Treatment Act which was passed unanimously by the Labor Committee, includes a kinship care demonstration project. This demonstration project, which is administered by the Secretary of HHS, awards grants to public entities to assist in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, when those relatives are found to be capable of providing a safe, nurturing environment for the child.

Additionally, S. 1904, the Project for American Renewal, includes The Kinship Care Act which creates a $30 million demonstration program for States to use adult relatives as the preferred placement option for children separated from their parents.

Mr. President, this country is truly facing a very serious crisis concerning many of our children.

By the end of 1992, 442,000 children were in foster care, up from 276,000 in 1985, at a Federal cost in fiscal year 1993 of $2.6 billion. The population of children in foster care is expected to exceed 500,000 by the end of 1996.

The National Foster Parent Association reports that between 1985 and 1990, the number of foster families declined by 27 percent while the number of children in out of home care increased by 47 percent.

Children placed for foster care with relatives grew from 18 percent to 31 percent of the foster care caseload from 1986 through 1990 in 25 States that supplied information to the Department of Health and Human Services.

Children in kinship care are less likely to experience multiple placements than their counterparts in family foster care. Of the children who entered California's foster care system in 1988, for example, only about 23 percent of those placed initially with kin experienced another placement, while 58 percent of children living with unrelated foster families experienced at least one subsequent placement during the following 3.5 years.

This amendment will: Ensure that grandparents and other adult relatives will be first in line to care for children who would otherwise be forced into foster care or adoption; strengthen the ability of families to rely on their own family members as resources. It will also help soften the trauma that occurs when children are separated from their parents. Living with relatives that they know and trust will give these children more immediate stability during this painful transition; and provide a hopeful alternative to traditional foster care.

I hope that all my colleagues can see the critical importance of ensuring that children who are in need of out-of-home placement will be placed with relatives who they know and trust, rather than strangers. Please join me and Senator WYDEN in supporting the kinship care amendment.

The PRESIDING OFFICER. Under the previous order, those amendments now are agreed to.

The amendments (Nos. 4906 through 4909), en bloc, were agreed to.

Mr. ROTH. I yield back the floor.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

AMENDMENT NO. 4910

(Purpose: To ensure needy children receive noncash assistance to provide for basic needs until the Federal 5-year time limit applies)

Mr. BREAUX. Mr. President, I send an amendment to the desk under the previous order and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Louisiana [Mr. BREAUX] proposes an amendment numbered 4910.

Mr. BREAUX. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end the following:

''(E) EFFECTS OF DENIAL OF CASH ASSISTANCE.—

''(i) PROVISION OF VOUCHERS.—In the event that a family is denied cash assistance because of a time limit imposed under this paragraph—

''(I) in the event that a family is denied cash assistance because of a time limit imposed at the option of a State that is less

than 60 months, a State shall provide vouchers to the family in accordance with clause (iii); and

''(II) in the event that a family is denied cash assistance because of the 60 month time limit imposed pursuant to this paragraph, a State may provide vouchers to the family in accordance with such clause.

''(ii) OTHER ASSISTANCE.—The—

''(I) eligibility of a family that receives a voucher under clause (i) for any other Federal or federally assisted program based on need, shall be determined without regard to the voucher; and

''(II) such a family shall be considered to be receiving cash assistance in the amount of the assistance provided in the voucher for purposes of determining the amount of any assistance provided to the family under any other such program.

''(iii) VOUCHER REQUIREMENTS.—A voucher provided to a family under clause (i) shall be based on a State's assessment of the needs of a child of the family and shall be—

''(I) determined based on the basic subsistence needs of the child;

''(II) designed appropriately to pay third parties for shelter, goods, and services received by the child; and

''(III) payable directly to such third parties.

Mr. BREAUX. Mr. President and my colleagues, this is the amendment that has been referred to as the so-called voucher amendment which we have authored.

I would point out that the legislation which originally came to the Senate from the House was much more reasonable in this area than the bill that is now before the Senate, which is the reason for this amendment.

What we are basically talking about is the situation of what happens to children after we cut off a parent from a welfare program. Everybody wants to cut the parent off if they are not doing what they are supposed to be doing. We want to really be tough on parents. We are really going to be tough about work. We want to put work first. But we should not put children last.

That is what I am trying to get at. I do not think there is a lot of difference between the position of my Republican colleagues and Democrats on this issue. We have time limits on the bill. Everybody agrees we ought to have time limits now. At least most people agree we ought to have time limits. We said in this legislation there was going to be a maximum period of time someone could be on welfare, and after that, they are off.

A State under our legislation can pick a time limit of shorter than 5 years. They can make it 24 months. My State is probably going to do that. Many other States are going to make it a lot shorter than 5 years.

So we are saying to parents, we are going to be very tough on you; we are going to make you realize that welfare is not forever, that it is temporary. We want you to get a job. We want you to go to work. We want you to earn a check and not just get a check.

That is what all of this debate is basically about, trying to get people off welfare into the work force. I agree with that. I think most people in this body share that desire as well. Let us face it. Most people on welfare are not parents. Most people on welfare are children. And the majority of those children are young children. The majority of those children cannot get a job. They cannot work. Most of them do not even go to school because they are too young.

So the point is, when we get tough on parents, fine, but how many people want to get tough on innocent children who did not ask to be born? I think we as a Nation have a responsibility to make sure that while we get as tough as we can on parents, we do not harm innocent children at the same time.

Here is the problem. Under the Republican plan that is now pending before the Senate, if, after 5 years, a person is taken off welfare, there can be no assistance to children. There cannot be any vouchers to children. There can be no noncash assistance to children after 5 years. They are gone. I can agree that the parent may be gone as far as Federal assistance or State assistance. I do not agree that a young, innocent child, maybe 2 or 3 years old, should be neglected and forgotten by their country.

That is the principal problem, because it forbids any type of assistance even to children, which are the majority of the people on welfare. Two-thirds of all people on AFDC assistance are children. In my State of Louisiana, 34.5 percent of all children are living in conditions below the poverty line—34.5 percent of the children living in Louisiana are at the poverty level or lower. So why should I as a Senator say that after the parent is taken off welfare, I am also for taking the child off any help or assistance?

Is that what America is all about? I suggest it is not. We ought to be talking about putting children first in what we are trying to do for the future. The Republican plan, if the State takes a 2, 3 or 4-year period, allows them to give assistance but does not require it. And this is Federal money.

In my State, the State puts up 28 percent, and the Federal Government puts up 72 percent. Should we not, as managers of the money we raise, say to the States they should use those funds to take care of innocent children?

So the Breaux amendment which is now pending says to States, after 5 years, they can use funds that they are getting in their block grant to help children, and it requires the States to do that if they pick a period to cut off the parent in a period shorter than 5 years.

Let me tell you what we do with the amendment. It is absolutely, totally flexible in what it would allow. No. 1, the State, as they do when they select people on welfare, does an assessment. They do an assessment that determines whether this family should be on welfare. They know what the income level is; they know if they have a house or a car or truck or clothes or what have you. They make an assessment. They decide whether the person is eligible for welfare assistance or not. They know things about the family already.

What my amendment simply says is that a voucher under conditions that we have set out—for instance, mandating it if the period is less than 5 years—shall be based on the State's assessment of the needs of the child. The State makes the determination that the child is needy. If they make a determination that the child is in need, then that State will pay to third parties, for shelter, for goods, for services, clothing for the child if they need clothes, diapers if it is an infant and they cannot afford diapers in the family, a crib or medicine. How many people want to say we are not going to provide medicine for an innocent child because we kicked the child off welfare? How many people want to say we do not want to pay for medicine you need to survive? Or how many people want to say if the child wants to go to school and has no money to buy school supplies, that we, as a nation, are going to say to the children of America we are not going to help you buy school supplies to go? That is all we are saying.

We are telling the State: You make the assessments. You determine if there is a need. If you determine there is a need, for heaven's sake, let us make sure we take care of the child. Not with cash. There is no money here. We are talking about in-kind vouchers so they could go to a third party: Maybe it is a Wal-Mart, maybe it is the local drug store, maybe it is a grocery store to get the food, but to take care of the child. The parent does not get the cash. There is no cash. The third party would get it, under my amendment, payable directly to third parties. The third party gets the money and uses those funds to take care of the children who did not ask to be born, who are innocent victims here. And we better start treating them better or we are going to have more people on welfare, not less.

Are we going to allow children to get sick and just neglect them? Some say there is Federal money available under title 20. Great, $2 billion a year and it goes to the elderly and goes to programs like Meals on Wheels and child care and everything else. Some will say this title 20, they can use it for that. ''There ain't no money left.'' There is no money in title 20. It has been frozen practically since we instituted the program. If they have food stamps, then the State determines that if the child is getting food stamps they do not need any of this.

Really, what we are saying is let us be fair and treat children fair in this country. Let us be as tough as we possibly can on the parent who refuses to work. But for heaven's sake, we as a nation owe something to the children of America. The Breaux amendment, I think, would do just that.

I reserve any time I may still have left.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I yield myself 5 minutes.

Mr. President, this is a nice idea that is unnecessary. The current legislation very well takes care of what problem the Senator from Louisiana has laid out in his vouchers for children amendment. The Senator from Louisiana suggests, and correctly suggests, in the first 5 years of the program, when someone enters the program, under the Republican bill the States are allowed—are allowed to provide a voucher program for those who disqualify themselves, usually, in most cases, because they refuse to comply with the law there, by not working. I should say those are people who are still eligible for a voucher. The States can use Federal dollars to provide those vouchers. OK? So it allows the State to provide a voucher using Federal dollars.

What the Senator from Louisiana wants to do is, frankly, an additional cost to the State and not a requirement of the State. What he requires the State to do is an assessment after someone has broken their eligibility for welfare within the 5-year time period. He requires the State to do an assessment of the family to determine whether the children in that family are in need now, now that mom has decided not to go to work.

So, an additional assessment is necessary under his plan. So they are required to do the assessment. What they are not required to do is provide a voucher. It is up to the State whether they want to provide that voucher or not. That, to me, is a cost and the State will say: Look, if you are going to make us do the assessment we will spend the money we would have spent maybe providing the vouchers, doing the assessment and not help anybody. So I think it is well intentioned but it could actually have the reverse effect, of getting fewer vouchers approved for those people within that 5-year window.

On the other side of the 5-year window, again I think the Senator from Louisiana has missed the mark. He is correct, his amendment allows States to use the block grant funds for the AFDC block grant. It allows them to use those funds for vouchers after 5 years. That is what his amendment does. Our bill does not allow you to use the block grant funds in the AFDC block grant, now it is called the TANF block grant, for vouchers. But what we do allow under current law is to use title 20 block grant money for that provision of services.

So there are several block grants we are giving to the State. One is the block grant to the States for social services. It is an existing block grant and there is nothing in this law—in fact I will read it. ''Services which are directed at the goals set forth in this section, 2001, include, but are not limited to . . .'' and it includes child care services and a whole bunch of other things. It is very clear within this block grant, the Governors, the legislature if they want to provide it, can give Federal dollars for a voucher program after the 5-year time limit is expired. They have Federal dollars right here to do it.

We are all talking about the same pot of money. The Senator from Louisiana does not put up more money to provide vouchers after 5 years. We have the same pots of money here. All we are suggesting is we want—and here is the difference. If you want to know the difference between what the Senator from Louisiana wants to do and what the Republican bill wants to do—I should put it this way.

The Republicans want all the block-granted funds for AFDC to go in the first 5 years, to concentrate that money to get people off welfare. We do not want any of those funds diverted to maintain people on welfare. We want all that money spent in the first 5 years. We believe we want every conceivable dollar we can get to get people up and going and off so we do not have to worry about the next 5 years.

By spending less the first 5 you guarantee people will be there at the end, and we do not want to do that. We want to make sure it is all spent. If there is a problem after the 5-year period, then we will say: Look, there are some other Federal dollars out here. If you want to use those dollars, you are certainly welcome to use those dollars. In addition, obviously there is nothing in either of these bills that prohibits the State from using State dollars to fund a voucher program after the 5-year period.

Mr. FORD. Will the distinguished Senator yield for one question?

Mr. SANTORUM. I will be happy to yield.

Mr. FORD. Did the Republican welfare bill that was passed last year, the one that was proposed last year, have in it the same thing that the Senator from Louisiana is trying to propose now? In this bill have you restricted it more than the previous bill?

Mr. SANTORUM. You have two questions there, actually, in order to give the answer.

The PRESIDING OFFICER. The Chair will say to the Senator, the time of the Senator has expired.

Mr. SANTORUM. I yield myself an additional 30 seconds.

It is restrictive in some respects; in some it is not. We do not require in the first 5 years—in the original bill you have to do these reviews and have to provide some service, so that is not the same. The Breaux amendment in fact goes further. In the second 5 years there was an allowance in the conference report, I believe, and I can check on that, that after 5 years they could use Federal funds.

Mr. FORD. I say to the Senator I do not believe—you allowed noncash——

Mr. SANTORUM. Correct.

Mr. FORD. At the discretion of the State. Now you are not allowing it, you are cutting it off at the end of 5 years.

Mr. SANTORUM. I think that was in the conference report and not the Senate bill, but I will check on that.

Mr. FORD. It was somewhat different. You allowed it before and now you say you cannot.

Mr. SANTORUM. But we do not go as far as, I believe in the wrong direction, the Breaux amendment goes at this time.

The PRESIDING OFFICER. Who yields time?

Mr. BREAUX. Mr. President, how much time do we have remaining?

The PRESIDING OFFICER. The Senator from Louisiana has 2 minutes and 50 seconds.

Mr. BREAUX. Mr. President, let me just make a couple of comments. I do not want to belabor this point. When the Senate votes tomorrow, it is going to be faced with the question of how do we do welfare reform? Do we do welfare reform by being tough on parents who refuse to work? Or are we going to be tough on kids who do not have a choice in life?

I think this country, as strong as we are, should be as tough as we possibly can on deadbeat parents or parents who do not want to work or refuse to work, whatever the reason. But we should not take it out on innocent children who did not ask to be born.

This amendment simply says that, after a family has been taken off AFDC assistance, we should at least allow the States to use their block grant money they already get to pay for vouchers to give to third parties to provide for the needs of children whose parents have been kicked off AFDC assistance.

This is a child, and most of the people on welfare are children. Over two-thirds are children, and those children are poor children. I am merely saying with my amendment that we should at least allow—and the Republican bill says it is forbidden—at least allow a State to use its block grant money to aid a child with in-kind assistance, not with cash dollars to the parent, not with cash money to the child, but in-kind contributions to help that child survive, in many cases in terms of getting food, in terms of getting clothing, in terms of getting diapers, yes, or in terms of getting medicine.

The Republican bill forbids it. This amendment says we allow the State to do it. It simply says, if the State is going to cut them off after a shorter period of time, we ought to require them to do that. The State makes a determination whether there is a need. The State makes a determination what kind of benefits they get, how much and for how long. This is truly in keeping with the block grant concept that the States should have the maximum flexibility in this particular area.

The National Governors' Association endorses this, and a majority of them are Republicans. They said, ''Don't prevent us from doing this if we want to do it.'' That is the NGA position. They have sent a formal, written letter to those of us on the committee which

says, ''Please do not prohibit us from helping children if we want to help children.''

The Republican bill is absolutely contrary to the NGA position. Even more, it is contrary to what this country is about, and that is give an opportunity for children to survive.

I think without this amendment we make a very strong statement that we are going to be so tough we are going to step on the rights and futures of the children of this country. That is not what this Congress is about; that is not what this country is about. I suggest this amendment be adopted.

The PRESIDING OFFICER. The time of the Senator from Louisiana has expired.

Mr. SANTORUM. Mr. President, I want to make two quick responses. No. 1, the Senator from Kentucky is absolutely right, it was in the conference report, but I tell the Senator from Kentucky, it was not in the House bill, it was not in the Senate bill, and I have been informed by staff it was a drafting error in the conference report. It was a mistake on the part of the drafters in putting that in. It was not intended policy by either body to include what the Breaux amendment does.

I think one of the reasons is—and I get back to the fact that there are Federal dollars out there for the States to use for that last 5 years, and I think that is more than generous and complies with what the Governors want to do, which is to have Federal dollars available for the voucher program after the 5-year period.

Mr. FORD. Mr. President, may I just say to the Senator from Pennsylvania, it is strange to blame staff.

Mr. ROTH. Mr. President, how much time remains?

The PRESIDING OFFICER. Two minutes 30 seconds remain.

The Senator from Delaware is recognized.

Mr. ROTH. Mr. President, I reiterate what my distinguished colleague from Pennsylvania has said. First of all, the States are still free to use title XX money for whatever purpose they see fit. So it is not accurate to say that funds are shut off so that children cannot be helped.

I point out that even with the 5-year time limit to implement the important welfare reforms we are considering, families receiving Government assistance will still be eligible for more than 80 means-tested programs. That is quite a few. These programs range from food stamps, WIC, health care, to section 8 low-income housing. In other words, placing a 5-year time limit on implementing our welfare reform package is not Government pulling away a lifeline; rather, it is Government encouraging people to swim and giving them the time necessary to learn.

Mr. President, I believe we must keep the 5-year time limit, and I encourage my colleagues to see that we do. I encourage them to join me in seeing that real and necessary reforms take place in a real and positive way.

Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has expired.

Mr. ROTH. Mr. President, I make a point of order against the Breaux amendment on the grounds that it is nongermane under sections 305 and 310 of the Budget Act.

Mr. BREAUX. Mr. President, pursuant to section 904 of the Congressional Budget Act, I move to waive all applicable points of order under that act for the purposes of the Breaux amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The vote will be delayed under the previous order.

Mr. BIDEN. Mr. President, what is the order of business? Was there agreement as to the order? I was not sure whether the Senator from North Carolina—I am told he has 3 minutes; is that correct? I do not want to usurp his order.

Mr. FAIRCLOTH. I think the order is Senator ABRAHAM.

The PRESIDING OFFICER. The Chair will clarify it was not a unanimous consent agreement, it was a general understanding that the Senator from North Carolina would proceed.

Mr. BIDEN. As I understand it, Mr. President, it was a general understanding that after the Senator from North Carolina finished, the Senators from Pennsylvania and Delaware would have the floor to offer their amendment. That was my understanding. I know it is not a UC.

The PRESIDING OFFICER. I have Senator FAIRCLOTH, Senator BIDEN, Senator Santorum.

Mr. BIDEN. I assume we will do that. If we do not, I will not yield the floor.

So I ask unanimous consent that upon the completion of the 6 minutes on the Faircloth amendment, then myself and Senator SPECTER be recognized to offer our amendment.

The PRESIDING OFFICER. Is there objection to that?

Mr. WELLSTONE. Mr. President, I have been trying to get——

The PRESIDING OFFICER. Does the Senator reserve the right to object?

Mr. WELLSTONE. Reserving the right to object, can I ask unanimous consent that I be in order after the Biden-Specter amendment?

Mr. SANTORUM. No. I object.

Mr. DOMENICI. We already placed the Senator from Minnesota and indicated when he is going to come up. We indicated that at least informally.

Mr. WELLSTONE. When is that? I might ask.

The PRESIDING OFFICER. The Chair informs the Senator from Minnesota, the Senator from New Mexico is correct. Under a general agreement, not a unanimous-consent agreement, the Senator is due to be recognized after the Senator from Missouri, Senator ASHCROFT.

The Chair will clarify: Senators FAIRCLOTH, BIDEN, SANTORUM, HARKIN, ASHCROFT, WELLSTONE, GRAHAM and DODD.

Mr. DOMENICI. Wellstone has two.

Mr. FORD. Wellstone has two.

The PRESIDING OFFICER. That is correct.

Mr. FAIRCLOTH. Mr. President, I am ready to proceed.

The PRESIDING OFFICER. The Senator from North Carolina is recognized.

AMENDMENT NO. 4911

(Purpose: To address multi-generational welfare dependency)

Mr. FAIRCLOTH. Mr. President, I have an amendment that I send to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from North Carolina [Mr. FAIRCLOTH] proposes an amendment numbered 4911.

Mr. FAIRCLOTH. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 245, line 22, insert ''and subparagraph (C),'' after ''(B)''.

on page 249, between lines 14 and 15, insert the following:

''(C) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the grant paid under section 403 to provide cash assistance to an individual described in subparagraph (B)(ii) if such individual resides with a parent, guardian, or other adult relative who is receiving assistance under a State program funded under this part and has been receiving this assistance for a 3-year period.

The PRESIDING OFFICER. The Senator is recognized for 3 minutes.

Mr. FAIRCLOTH. Mr. President, this amendment is intended to address the problem of multigenerational welfare dependency. In other words, this is an attempt to cut off the money, to break the cycle of welfare dependency.

The bill before us requires that minor children be required to live with the parent to receive assistance. I agree with this. But, unfortunately, in many cases that parent or, as it might turn out to be, grandparent to the child to be born, has a history of dependency herself and has continuously for a long time been dependent upon welfare and Aid to Families with Dependent Children, to cash payments. My amendment says simply that if the parent is currently receiving welfare, and has been for a 3-year period, that the minor may not receive cash benefits.

This amendment is not intended to reduce benefits. States are not prohibited from giving noncash benefits. This amendment will simply prevent more cash from going to a household with a clear history of welfare dependency. In its very simplest terms, if the grandmother of this child to be born or that has just been born has been on welfare for 3 continuous years, then the mother of the child cannot receive a check,

a cash check benefit. She can receive all other benefits, food stamps, diapers, whatever would be appropriate, medical care. But two cash checks cannot go to the same household.

Mr. President, I think this is what we are trying to do, to cut out the dependency upon direct Government taxpayers' cash money. This will do it in this case. I yield the remainder of my time.

The PRESIDING OFFICER. Who yields time? The Senator from North Carolina does have 30 seconds remaining. Who yields time?

Mr. FORD. Mr. President, I do not believe there is anyone on our side who would like to take the 3 minutes. I understood the Senator from North Carolina yielded back his time.

Mr. FAIRCLOTH. I yield back my time.

Mr. FORD. On behalf of the floor manager, I yield back the 3 minutes on our side.

The PRESIDING OFFICER. All time is yielded back. All time on the amendment has expired.

Mr. BIDEN addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

AMENDMENT NO. 4912

(Purpose: To provide for a complete substitute.)

Mr. BIDEN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Delaware [Mr. BIDEN], for himself and Mr. SPECTER, proposes an amendment numbered 4912.

Mr. BIDEN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. BIDEN. Mr. President, I yield to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, the pending amendment is the substance of a bill which the distinguished Senator from Delaware, Senator BIDEN, and I introduced some time ago, Senate bill 1867. This bill was introduced as a companion bill to H.R. 3266, which was a bipartisan bill introduced by Congressman CASTLE of Delaware and Congressman TANNER.

The purpose of this effort was to try to find a bipartisan way to move to agreement on welfare reform. At that time, in the context of the muddled situation which was then presented, welfare reform was stalled because, after the Senate approved a welfare reform bill by a vote of 87 to 12, and the House passed its own bill, and then the conference report produced legislation which was divided pretty much along party lines, when the conference report came out of the Congress that bill was vetoed by the President.

There has been a general consensus in America that welfare reform is necessary with President Clinton's famous statement, ''We need to reform welfare as we know it.'' There has been a very considerable effort in both Houses to have welfare reform. When welfare reform was stalled, Congressman CASTLE and Congressman TANNER introduced the bipartisan bill in the House, and Senator BIDEN and I followed suit with a bipartisan bill in the Senate.

Thereafter, the Budget Committee reported out a new welfare reform bill, Senate bill 1956. Having started with a bipartisan effort with Senator BIDEN, I intend to continue that. It is my view that, in a side-by-side comparison of the committee report contrasted with the original Biden-Specter bill, our bill is preferable, although candidly they are very close.

Mr. President, I ask unanimous consent that at the conclusion of my remarks, a 7-page summary of the comparison of the welfare reform proposals, of the budget reconciliation bill, S. 1956, compared to the Biden-Specter, bill be printed in the RECORD, together with a 1-page summary of the major differences in the welfare proposals.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. SPECTER. Briefly, Mr. President, I will itemize six of these issues which I believe show the superiority of the Biden-Specter bill over the committee report as embraced in Senate bill 1956.

The first difference is that the budget reconciliation bill eliminates child-care safety standards from existing law, whereas the Biden-Specter bill maintains those child-care safety standards, which I submit are very important.

The second significant difference in provisions is that in the Biden-Specter bill there is an individual responsibility contract, while the budget reconciliation bill has none. This individual responsibility contract is an agreement entered into by the Government on one side and the welfare recipient on the other, which specifies the responsibilities of each, which I submit is a significant step forward and is desirable to have in the legislation.

The third significant activity is that the Biden-Specter bill provides funding for work-activities funding, which is a very important element. There is some contention that this may put us out of order in terms of funding, but it is my understanding that on the Castle-Tanner bill, the identical bill, there was a budget estimate which puts us within the appropriate range.

The fourth significant difference is on the safety net provisions. The budget reconciliation bill has the States prohibited from using Federal funds to provide vouchers after the 5-year time limit. Under Biden-Specter, there is a State option for such benefits, to both children and adults, after 5 years. It is my submission that leaving the State option is preferable to having an absolute Federal prohibition in line with the general theory of leaving the State options.

The fifth significant difference relates to food stamps, where there is a retention of the entitlement under the Biden-Specter bill, contrasted with the budget reconciliation bill, which gives a State option for a block grant.

Overall, the Biden-Specter bill does not contain entitlements. But on this one item, food stamps, there is a retention of this existing entitlement because of our consideration that food stamps are so important, so basic that there ought not to be the option for the States to eliminate food stamps.

The Sixth item relates to immigrant exceptions, where the Biden-Specter bill retains the exemptions or has an identical provision as to the retention of immigrant exceptions under the budget reconciliation bill as to exempting refugees, veterans, and military personnel. But we add to it disabled children, victims of domestic abuse, and all children in the case of food stamps.

Mr. President, we are in a very complex matter here. It is my hope that the Congress will adopt welfare reform legislation which will be signed by the President and that the gridlock will not continue. In maintaining my support for Senate bill 1867, I understand that the budget reconciliation bill, Senate bill 1956 has the support of a majority of Republicans, but having started all this effort to have a bipartisan legislative proposal with Congressmen Castle and Tanner joining Senator BIDEN and I, I intend to stay there.

I do believe there are some beneficial provisions which are included in Biden-Specter which are not present in the budget reconciliation bill. For these reasons, I urge Members to support this amendment which Senator BIDEN and I are proposing this evening.

EXHIBIT 1

COMPARISON OF WELFARE REFORM PROPOSALS

| | Budget reconciliation (S. 1956, as approved by Finance and reported by Budget) | Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266) |
|---|---|---|
| GRANTS TO STATES | | |
| Cash Assistance Block Grant | Ends AFDC entitlement and combines AFDC, EA, and JOBS into a block grant to the states. Funding totals $16.4 billion annually. | Same. |

COMPARISON OF WELFARE REFORM PROPOSALS—Continued

| | Budget reconciliation (S. 1956, as approved by Finance and reported by Budget) | Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266) |
|---|---|---|
| Maintenance-of-Effort | 80% of FY 94 spending on AFDC and related programs. Percentage could be lowered to as low as 72% for ''high performance'' states (see performance bonus section below). | 85% of FY 94 spending on AFDC and related programs. Percentage could range anywhere from 80% to 90%, depending on a state's success in meeting the work participation requirements. |
| Supplemental Grant | $800 million fund for states with high population growth and/or below average AFDC benefits. | Same. |
| Loan Fund | $1.7 billion loan fund, which must be repaid with interest within 3 years | Same. |
| Contingency Funds | $2 billion contingency fund for states with high unemployment rates or increases in food stamp caseload. State maximum equal to 20% of block grant. States must maintain 100% of state spending in order to tap contingency funds. | Same, except (1) minor differences in triggers to qualify; (2) if the fund is exhausted as a result of a national or regional recession, additional money would be added to the fund; and (3) state maximum equal to 40% of block grant minus the supplemental grant a state receives. |
| Work Activities Funding | No provision | $3 billion work fund available beginning in FY 1999 for states that maintain 100% of state spending on work programs and match federal funds at the Medicaid rate. |
| Illegitimacy Bonus | States that reduced their out-of-wedlock birth rates without increasing their abortion rates would be eligible for additional funding equal to 5% to 10% of block grant. | Same. |
| Performance Bonus | $200 million per year, beginning in FY 1999, available to states with ''high performance,'' as determined by a formula to be developed by HHS. Each state's performance bonus could not exceed 5% of block grant. | No provision. |
| CHILD CARE | | |
| Child Care Block Grant | $13.8 billion over 6 years in guaranteed funding (annual amount increases each year). An additional $1 billion per year is authorized and subject to annual appropriations. | Same. |
| Child Care Maintenance of Effort | To receive funds above base allocation ($9.3 billion), states must maintain 100% of FY 94 or FY 95 spending on child care, whichever is greater, and match federal funds at the Medicaid rate. | Same, except states must maintain 100% of FY 95 spending on child care. |
| Transfer of Funds | States may transfer up to 30% of cash block grant to child care | States may transfer up to 20% of cash block grant to child care. |
| Health and Safety Standards | Eliminates health/safety standards for child care providers | Maintains health/safety standards for child care providers. |
| TIME LIMITS | | |
| Time Limits | 5 years (less at a state's option, but no less than 2 years) | Same. |
| Hardship Exception | States can exempt 20% of caseload from the time limit for reasons of hardship or abuse/extreme cruelty. | Same. |
| Safety Net | States prohibited from using federal funds to provide vouchers after the five-year time limit. | If states have time limit of less than 5 years, in-kind/voucher benefits must be provided to kids. State option for such benefits to both kids and adults after 5 years. |
| WORK | | |
| Individual Responsibility Contract | No provision | To be eligible for benefits, individuals must sign an individual responsibility contract. |
| Work Requirements | Welfare recipients must work after two years of receiving assistance | Same. |
| Work Participation Rate | States must have the following percentages of welfare recipients working: FY 97—25%; FY 98—30%; FY 99—35%; FY 00—40%; FY 01—45% FY02—50%. | States must have the following percentages of welfare recipients working: FY 97—20%; FY 98—25%; FY 99—30%; FY 00—35%; FY 01—40%; FY 02—50%. |
| Financial Penalties on States | States that failed to meet the work participation rate would lose 5% of their block grant in the first year, 10% in the second year, 15% in the third year, etc. | No provision. (See maintenance-of-effort section above.) |
| Hourly Work Requirements | To count as work, individuals would be required to work the following hours each week: FY 97–98—20; FY 99–25; FY 00–01—30; FY 02—35. | To count as work, individuals would be required to work the following hours each week: FY 97–98—20; FY 99—25. |
| Work Requirement Exemption | State option to exempt from work requirement those with children under age 1, with one-year lifetime aggregate exemption per family. Those with children under age 6 are required to work 20 hours per week. | Same, except there is no one-year aggregate lifetime cap per family. |
| Child Care Exemption | States cannot penalize those who refuse to work if they have children under age eleven and cannot find or cannot afford child care. | Same, except applies to those with children under age six. |
| Work Activities | ''Work'' is defined as employment; on-the-job training; work experience; community service; job search activities (for 4 weeks, or for 12 weeks if state unemployment exceeds national average); and vocational training (for 12 months and no more than 20 percent of caseload). Teenagers in secondary school would be considered ''working.''. | Same. Also, individuals leaving welfare for work, and working at least 25 hours per week, would count toward the state participation requirement for six months. |
| TEENAGERS | | |
| Teen Parents | In order to receive cash assistance, unmarried teens under the age of 18 must stay in school and live at home or in another adult-supervised setting. | Same. |
| Denial of Benefits to Unmarried Minors | State option | Same. |
| Federal Strategy to Prevent Teen Pregnancies | Requires HHS to establish a strategy for preventing out-of-wedlock teen pregnancies and have a teen pregnancy prevention program in 25% of all U.S. communities. | Same. |
| OTHER CASH ASSISTANCE PROVISIONS | | |
| Family Cap | Federal mandate, with state ability to opt out | Same. |
| Existing Waivers | States with existing welfare waivers would have the option to continue to operate under their waivers, regardless of the provisions of this bill. However, funding for that state would be the amount under the block grant. | Same. |
| Transitional Medicaid | Provides Medicaid coverage during a one-year transition period for those who leave welfare for work as long as family income is below the poverty line. | Retains current law of one-year transition Medicaid coverage for all welfare recipients who leave welfare for work. |
| State Accountability | States must establish procedures to ensure that eligibility and benefits are determined in a fair and equitable manner—and that similar families are treated similarly. States must have due process procedures for those denied assistance. | Same, except that the federal government must approve state welfare plans and therefore has oversight on fairness and due process requirements. |
| CHILD SUPPORT | | |
| Licenses/Passports | Requires states to have laws suspending drivers, professional, occupation, and recreational licenses for overdue child support. Federal government will deny or suspend passports to those with arrears in excess of $5,000. | Same. |
| Paternity Establishment | Increases the paternity establishment rate from 75% to 90%. States that fail to meet this percentage would have their block grant reduced. | Same. |
| Distribution of Child Support | Beginning FY 1998, arrearages collected after family leaves welfare would be paid to family (unless collected through IRS intercept). Beginning FY 2001, pre-welfare arrearages would be paid to family (unless collected through IRS intercept). Ends $50 pass through. | Same. |
| Automation | States must have central registry of child support cases and support orders—and an automated directory of new hires. Also, states must operate a centralized unit to collect and disburse all child support orders. Increases funding for states for systems automation. | Same. |
| Individual Cooperation | Individuals receiving cash assistance who fail to cooperate in establishing paternity or collecting child support would have family benefit reduced at least 25%. States could deny all benefits to the family. | Same, except the minimum penalty would be the amount of family assistance attributable to the adult. |
| Interstate Enforcement | Requires states to enact Uniform Interstate Family Support Act and have expedited procedures for interstate cases. Creates forms for use in collection of interstate orders. Requires states to respond within 5 days to a request by another state for enforcement of an order. | Same. |
| Work Requirement | States must have procedures to ensure that noncustodial parents in arrears have a plan for payment or participate in work programs. | Same. |
| Grandparent Liability | State option to hold parents of noncustodial minor parent (the grandparents of the child receiving welfare) responsible for child support. | Same. |
| Health Care Support | Requires states to have procedures to ensure that all child support orders include the provision of health care benefits for the child. | Same. |

COMPARISON OF WELFARE REFORM PROPOSALS—Continued

| | Budget reconciliation (S. 1956, as approved by Finance and reported by Budget) | Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266) |
|---|---|---|
| Access/Visitation | Creates grants for states to establish programs and systems of access and visitation for noncustodial parents. | Same. |
| | SSI FOR CHILDREN | |
| Eligibility | Eliminates comparable severity standard, Individual Functional Assessment (IFA), and references to maladaptive behavior. Establishes new definition of disability for children. | Same. |
| Grandfather Clause | All children currently receiving SSI benefits must be reevaluated under the new definition. But, no child currently receiving benefits would be disenrolled before June 30, 1997. | Same, except that the earliest disenrollment date is January 1, 1997. |
| Continuing Reviews | Disability reviews must be conducted at least every three years for children under age 18. Representative payees must prove that children are receiving treatment for their condition. Eligibility would be determined using adult disability definition within one year of turning 18. | Same. |
| Privately Insured, Institutionalized Children | Benefits limited to $30 per month | Same. |
| Deeming of Parents Income | No provision | Disregards some income of the parents of disabled children to provide a monthly benefit for those with lower incomes that is greater than those with higher incomes. Medicaid eligibility would be retained for those who lose benefits under this provision. |
| Fraud | Individuals who have fraudulently misrepresented their residence in order to receive welfare, food stamps, or SSI benefits in more than one state simultaneously would be ineligible for benefits for 10 years. Benefits would not be available to fugitive felons. | Same. |
| | IMMIGRANTS | |
| Food Stamps/SSI | Current and future immigrants barred from receiving food stamps and SSI until attaining citizenship or working 40 quarters. Exempts the following people: *Refugees (first 5 years only) *Veterans/Active duty military and their dependents. | Same, except following people also exempted: *Children (food stamps only); *Disabled children; *Victims of domestic abuse. |
| All Other Means Tested Programs | Five-year ban on means-tested benefits for new immigrants, with same exceptions as food stamps/SSI. Ban does not apply to the following programs: *Emergency medical care; *Emergency disaster relief; *Child nutrition; *Immunizations; *Testing and treatment for communicable diseases; *Foster care and adoption assistance; *Higher education loans and grants; *Title I education for disadvantaged children. | Same, except for the additional people exempted under food stamps/SSI. Also, ban does *not* apply to Medicaid (but sponsor's income would be deemed; see below). |
| Deeming | Income of immigrant's sponsor deemed to immigrant for all federal means-tested programs until citizenship or 40 quarters of work. | Extends current law deeming requirement to Medicaid program. (Thus, deeming applies to cash benefits plus Medicaid.) |
| State Flexibility | State option to deny or restrict benefits under Medicaid, Title XX, and welfare to immigrants. Same exceptions as food stamp/SSI. | Same, except for Medicaid. |
| Non-Profit Organizations | No provision | Immigrant provisions do not apply to any program operated by a non-profit organization. |

MAJOR DIFFERENCES IN WELFARE PROPOSALS

| | Budget reconciliation (S. 1956, as approved by Finance and reported by Budget) | Bipartisan Reform Act (Biden-Specter, S. 1867) (Tanner-Castle, H.R. 3266) |
|---|---|---|
| Work Activities Funding | No provision | $3 billion work fund available beginning in FY 1999 for states that maintain 100% of state spending on work programs. |
| Contingency Funds | Once the $2 billion contingency fund is exhausted, no more contingency money is available to states. | If the $2 billion contingency fund is exhausted as a result of a national or regional recession, additional money would be added. |
| Child Care Safety Standards | Eliminates | Maintains |
| Private Sector Work | No provision | Individuals leaving welfare for work, and working at least 25 hours per week, would count toward the state participation requirement for six months. |
| Safety Net | States prohibited from using federal funds to provide vouchers after five-year time limit. | If states have time limit of less than 5 years, in-kind/voucher benefits must be provided to kids. State option of such benefits to both kids and adults after 5 years. |
| Food Stamps | State option for a block grant | Retains existing entitlement. |
| Individual Responsibility Contract | No provision | To be eligible for benefits, individuals must sign an individual responsibility contract. |
| Transitional Medicaid | Provides Medicaid coverage for one year for those who leave welfare for work as long as family income is below the poverty line. | Retains current law of one-year transition Medicaid coverage for all welfare recipients who leave welfare for work. |
| Financial Penalty on States | States that failed to meet the work participation rate would lose 5% of their block grant in the first year, 10% in the second year, 15% in the third year, etc. | No financial penalty. But, state maintenance-of-effort for block grant funds would increase or decrease depending on whether state met work requirements. |
| Work Exemption for Children Under Age 1 | Each family could only claim exemption for an aggregate 12 months | At a state option, families with child under age 1 could always be exempt from work requirements. |
| Immigrant Exemptions | Exempts refugees, veterans, and military personnel from the prohibitions on immigrant eligibility for federal benefits. | Also exempts disabled children, victims of domestic abuse, and all children in the case of food stamps. |
| Immigrant Eligibility for Medicaid | Bars immigrants from being eligible for Medicaid for five years; deems sponsor's income thereafter. | Always deems sponsor's income to determine eligibility, but not an outright ban for the first five years. |

Note.—This table shows the major differences between the Budget Reconciliation bill and the Biden Amendment—the Bipartisan Welfare Reform Act. It is not a complete listing of all differences in the two proposals.

Mr. SPECTER. I yield the floor.

Mr. BIDEN. For the benefit of my colleagues who are waiting in line to introduce their amendments, we had 45 minutes on this amendment, and we will not take that amount of time, but will probably take considerably less than half of that.

In offering this amendment with Senator SPECTER, the reason we offered it is I believe we have gotten off track on welfare reform. We need to return to bipartisanship on this issue and, quite frankly, on many others.

This amendment is the text of the only bipartisan welfare reform bill that has been introduced in this Congress and the only bill that President Clinton has promised he would sign. It is not to suggest it is the only bill he will sign, but it is the only bill he has promised to sign, and the only bill I am aware of that has relatively wide editorial support from the leading papers in the country.

My colleagues will probably know it as the Castle-Tanner welfare reform bill. I, frankly, like to call it the Biden-Specter bill because Senator SPECTER and I did introduce it on the Senate side. But, the heavy lifting on this bill and the drafting of the legislation was done by Congressmen CASTLE and TANNER. It is perhaps appropriate that everyone know it as the Castle-Tanner bill, and they did a first-rate job.

Before talking about the substance of the proposal, I want to briefly review how we got to this point of offering the amendment. Last September, the Senate passed a bipartisan welfare reform bill by an overwhelming majority, as my colleague, Senator SPECTER, indicated. We, along with the vast majority of our colleagues, voted for it. Since then, however, we have been faced with gridlock, politics, and paralysis. Both sides of the aisle have been using welfare reform as a political football, and we have accomplished nothing thus far.

Last April, Congressmen CASTLE and TANNER, and several other moderates from both parties in the House, decided to leave the bickering behind, sit down, and write a bipartisan welfare plan. This amendment is that bill. There is nothing shocking or hidden in this bill. It has all been out there before. Block grants to the States, a 5-year time limit, work requirements, child care, and child-support enforcement. The genius of this particular amendment is that it is bipartisan and has been from day one.

Let me mention just a couple of differences between this amendment and the underlying bill. Before I do, I want to compliment my senior colleague from Delaware, Senator ROTH, for the changes that he has made in the bill in the Finance Committee. When I introduced the Biden-Specter bill, or Castle-Tanner bill, in the Senate last month, the differences between the Finance Committee proposal and what we are proposing today were much larger than they are today. There is still, in my view, much room for improvement in the so-called leadership bill, and I believe we should still go forward with the bipartisan bill. However, I want to recognize Senator ROTH's effort at accommodating some bipartisan changes.

Some of the major differences that remain—one we settled just a couple hours ago, the child care health and safety standards, to ensure that kids are being cared for in a safe environment. We accepted that amendment. I guess we voted, actually, overwhelmingly, for the amendment to become part of the leadership bill.

Second, the Biden-Specter bill provides States with additional funds to set up work programs, because getting welfare recipients into jobs is going to cost a little bit of money on the front end.

Third, the Biden-Specter bill allows—not requires, but allows—States to provide noncash benefits for those who reach the time limit, so that States have the flexibility to design a program that meets the needs of the children in their State. This provision is the same as an amendment which was independently introduced by the distinguished Senator from Louisiana, and just discussed.

Fourth, the Biden-Specter bill would not allow food stamps to be converted into block grants, so that the ultimate safety net, ensuring that all Americans have food on the table, will not be taken away.

Fifth, the Biden-Specter bill would retain for all families, not just those who are below the poverty line, the transitional Medicaid coverage, where those who go to work can keep their health insurance for 1 year. It is acknowledged that the vast majority of welfare recipients in that first year in jobs will not have jobs that, in fact, provide health insurance for their children.

Welfare recipients are not stupid; they know most of the jobs will not have any health insurance for their kids. If we really want to move them off of welfare and on to work, and not just on to the streets, an extra year of health care, in my view, and in the view of the bipartisan group, is critical.

Sixth, the Biden-Specter bill says that anyone who wants to receive welfare must sign an individual responsibility contract, so that they are forced to agree up front to the conditions placed on receiving the benefit, and so that they will have a plan from day one on how to get themselves off of welfare.

Again, Mr. President, these are not all of the differences that exist in the bills, but they are among the most important.

Now, I know that every Member of the Senate will be able to find something that he or she does not like in the Biden-Specter proposal and all other proposals. I can do that, too, and it is my own amendment. The point is this: If we really want welfare reform, and not a political issue, we must do it in a bipartisan way, with each of us compromising and doing it in a form the President can sign.

This amendment fits that bill. It is the only bipartisan welfare reform bill to be introduced in Congress. It is a bill the President said he would sign, a bill that has gotten wide editorial endorsement, and a bill that makes compromises by definition of being bipartisan on both sides.

I do not like the idea that we are block granting welfare and that it is no longer an entitlement, but in return for that, my Republican colleagues agreed they would come up with sufficient dollars for a 1-year transition for health care and they would come up with money for child care, and so on.

It is a genuine compromise that I think is a solid proposal. I proposed a concept of welfare to work in 1987, and I was pilloried by my colleagues on the Democratic side at the time for suggesting that there be mandatory a work requirement for anyone receiving welfare. We have all sort of come to the same general proposition.

The issue is, are kids going to be left out there? Are women going to be able to go to work, or single fathers be able to go to work, knowing that there is no reasonable prospect for anyone to take care of that child, and not have day care? And are they going to make that judgment to do it, knowing once they do, they are going to lose their Medicaid—which is translated as health care for their children—by going to a job where they will not get health care for their children?

This is not just about money, although the Biden-Specter bill is estimated to achieve savings of $53.1 billion. But that is only one of the purposes, I thought, of this legislation, this change. We hear speech after speech after speech about changing the ethic that is involved in the welfare syndrome. We just heard our good friend from North Carolina talking about the generational nature of this problem and how to break the spiral, and so on. Part of this effort is to, in fact, not just take people off of welfare and put them on the streets, but put them to work and make them want to go to work and make it reasonable for them to go to work.

I respectfully suggest it is not just about money. It is about changing attitudes.

It is time to say that we do not care who gets credit for reforming welfare. It is time to just do it in a bipartisan fashion. For the sake of the American people and the sake of the people on welfare, I urge my colleagues to support this bipartisan Welfare Reform Act. And depending on what my friends on the other side have to say in opposition, I reserve the remainder of my time. I do not expect to use any more time if there is no reason to respond.

I yield the floor.

Mr. ROTH. Mr. President, I yield myself such time as I may consume.

Mr. President, let me thank Senators SPECTER and BIDEN for their important contribution to the welfare debate before us. The tremendous effort it takes to find common ground is always welcomed and appreciated.

There are many similarities between the Specter-Biden legislation and the welfare reform legislation reported by the Finance Committee. We are very close, for example, on issues such as ending the individual entitlement to benefits, work participation rates, supplemental grants for States with high population growth, the family cap, and the 20-percent hardship exemption.

The Specter-Biden bill includes provisions from our welfare reform bill regarding funding for abstinence education, SSI reforms, and child support enforcement to mention a few more of the policy areas we share.

But the substitute offered by Senators SPECTER and BIDEN also includes a number of provisions which I cannot support. Working with the Governors over these past months, I have learned a firm lesson that they are willing to accept the risks associated with a block grant. But in exchange, the states must have the requisite flexibility to redesign and manage the programs.

I am concerned that the Specter-Biden provisions regarding Maintenance of Effort, transferability of funds mandatory individual responsibility plans, would break the fragile balance the Governors seek.

The substitute also opens up the Federal checkbook for a $3 billion work program. Both bills provide for a $2 billion contingency fund. This is a $1 billion increase from last year. But the Specter-Biden substitute appropriates additional Federal funds subject to unemployment or Food Stamps triggers. This additional spending does not achieve the savings necessary. In other words, the Specter-Biden substitute breaks the budget. And for this reason alone was must oppose it.

However, Mr. President, breaking the budget is not the only problem with this substitute.

The Specter-Biden substitute severely weakens the goal of setting time limits.

Vouchers are mandatory, subject to a reduction in the State grant for noncompliance.

The Specter-Biden substitute also undermines the goal of curbing Federal benefits to noncitizens. Under this substitute, even illegal aliens could qualify for Medicaid, a liberalization of the

program beyond current law. Under the Specter-Biden plan, middle- and low-income American families would be put in a position of subsidizing individuals who are openly breaking the law. This is not fair.

Under Specter-Biden, the limitations on Medicaid benefits for other noncitizens under the finance bill would be lifted as well. While I respect the good intentions of the sponsors, I simply believe these provisions to too far.

Mr. President, I must therefore oppose the Specter-Biden substitute. Let me also hasten to add that there is no need to look any further for a bill which has bipartisan support.

The finance bill is identical in many of the most critical aspects to H.R. 4 which originally passed the Senate by a vote of 87 to 12 last September.

The finance bill was crafted with the help of Democratic and Republican Governors alike.

It includes a number of Democratic amendments which were offered in committee. Over the past several weeks, we have been told in a variety of ways that Medicaid was the stumbling block to welfare reform. We have removed that stumbling block. This is no time to erect new barriers to welfare reform. This is no time to turn back from authentic welfare reform.

Mr. President, I yield the floor.

Mr. BIDEN. Mr. President, I will yield back my time if the Senator from Delaware is prepared to yield back his time.

Mr. ROTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I yield the remainder of my time.

Mr. President, since the pending amendment, if adopted, would have the effect of reducing outlays by $10 billion less than the legislation before us, I make a point of order against the amendment under section 310(d)(2) of the Budget Act.

Mr. BIDEN. Mr. President, pursuant to Section 904 of the Congressional Budget Act, I move to waive all applicable points of order under the act for the purposes of the Biden-Specter amendment.

I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Under the previous order, the vote will be delayed until tomorrow.

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee is recognized.

AMENDMENT NO. 4914

(Purpose: Expressing the sense of Congress that the President should ensure approval of State waiver requests)

Mr. FRIST. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Tennessee [Mr. FRIST], for himself, Mr. ABRAHAM, Mr. SANTORUM, Mrs. HUTCHISON, and Mr. THOMPSON, PROPOSES AN AMENDMENT NUMBERED 4914.

Mr. FRIST. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place, add the following new section:

**SEC. . SENSE OF CONGRESS**

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Health and Human Services has not approved in a timely manner, State waiver requests for programs carried out under part A of title IV of the Social Security Act or other Federal law providing needs-based or income-based benefits (referred to in this resolution as ''welfare reform programs'');

(2) valuable time is running out for these states which need to obtain the waivers in order to implement the changes as planned;

(3) across the country there are 16 States, with 22 waiver requests for welfare reform programs, awaiting approval of the requests by the Secretary of Health and Human Services;

(4) on July 21, 1995, in Burlington, Vermont, President Clinton promised the Governors that the Secretary of Health and Human Services would approve their waiver requests within 30 days; and

(5) despite the President's promise, the average delay in approving such a waiver request is currently 210 days and some of the waiver requests have been pending since 1994.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should ensure that the Secretary of Health and Human Services approved the following waiver requests for Georgia—Jobs First Project, submitted 7/5/94; Georgia—Fraud Detection Project, submitted 7/1/96; Indiana—Impacting Families Welfare Reform Demonstration, submitted 12/14/95; Kansas—Actively Creating Tomorrow for Families Demonstration, submitted 7/26/94; Michigan—To Strengthen Michigan Families, submitted 6/27/96; Minnesota—Work First Program, submitted 4/4/96; Minnesota—AFDC Barrier Removal Project, submitted 4/4/96; New York—Learnfare Program, submitted 5/31/96; New York—Intentional Program Violation Demonstration, submitted 5/31/96; Oklahoma—Welfare Self-Sufficiency Initiative, submitted 10/27/95; Pennsylvania—School Attendance Improvement Program, submitted 9/12/94; Pennsylvania—Savings for Education Program, submitted 12/29/94; Tennessee—Families First, submitted 4/30/96; Utah—Single Parent Employment Demonstration, submitted 7/2/96; Virginia—Virginia Independence Program, submitted 5/24/96; Wisconsin—Work Not Welfare and Pay for Performance, submitted 5/29/96; And Wyoming—New Opportunities and New Responsibilities—Phase II, submitted 5/13/96.

Mr. FRIST. Mr. President, I ask unanimous consent that there be 45 minutes of debate equally divided on the amendment.

The PRESIDING OFFICER. Is there objection to the request?

Mr. FORD. Reserving the right to object. Would the Senator add that no amendments in the second degree be in order?

Mr. FRIST. Yes, I have no objection to that. I ask unanimous consent that there be no second-degree amendments in order to this amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FRIST. This amendment, submitted on behalf of myself and colleagues, Senators ABRAHAM, SANTORUM, HUTCHISON and THOMPSON, asks for a sense of the Congress that President Clinton should ensure approval of a waiver request for Tennessee's Family First program, as well as welfare programs in 12 other States.

Across this country this very minute, States are desperately awaiting the Clinton administration's approval for local welfare state initiatives. The State of Tennessee, like 12 other States, has submitted a waiver request to Donna Shalala, Secretary of Health and Human Services, to gain Federal approval for portions of a State-based welfare plan. Tennessee submitted its waiver request on April 30, 1996—78 days ago. This is not uncommon. Across this country, there are 15 other States with 22 waiver requests currently pending.

Some of these States include Georgia, the Jobs First program; also in Georgia, the Fraud Detection Project; in Kansas, Actively Creating Tomorrow for Families Demonstration; in Minnesota, the Work First program and the AFDC Barrier Removal Project; in Oklahoma, the Welfare Self-Sufficiency Initiative. Those are a few samples.

Mr. President, on July 31, 1995, the President promised the Governors that the Secretary of Health and Human Services would approve their requests ''within 30 days.'' That is what he said—30 days. It has been 78 days since Tennessee's request was placed.

Mr. President, I remain committed to holding President Clinton to this promise, ensuring that the Secretary of Health and Human Services approve these much-needed waiver requests, such as that for Tennessee's Families First welfare program, as well as for Michigan's and Wisconsin's.

I urge every one of my Senate colleagues to join me in this effort. Across this country States are fighting for the waivers that the President has promised to sign.

Time is running. Time is ticking. Time is running out for the people of Tennessee. The State needs to obtain this Federal waiver in order to implement the changes by September 1, 1996 as planned. Tennessee needs action. The country needs action.

Mr. President, I would particularly like to thank the distinguished Senators from Michigan and Pennsylvania for their support in this effort, and also Senator HUTCHISON of Texas for her hard work in putting this effort together.

I thank the Chair. I yield the floor.

Mr. ROTH. Mr. President, will the Senator yield for a question?

Mr. FRIST. Yes, sir.

Mr. ROTH. Does the fact that you are here asking that the President sign these waivers demonstrate the urgent need for welfare reform?

Mr. FRIST. That is correct. And States are calling out for this reform at the State level, and at the national level. These are waivers that have been promised to these States to be considered within 30 days. We need to fulfill that promise.

Mr. ROTH. And those waivers would not be necessary under our reform legislation?

Mr. FRIST. That is correct. The bureaucratic nightmare, the barriers that are placed with these States, would be removed by this piece of legislation.

Mr. ROTH. I thank the Senator for his answers.

Mr. FORD. Will the Senator yield for an additional question, Mr. President?

Mr. FRIST. Yes.

Mr. FORD. Is it not true that this President has issued 67 waivers to 40 States, more than any President has issued?

Mr. FRIST. That is correct; 16 States are waived now, all over 30 days at this point; 22 waiver requests are pending at this very minute.

I would like to yield 10 minutes to my colleague from Michigan.

The PRESIDING OFFICER. The Senator from Michigan is recognized.

Mr. ABRAHAM. Thank you, Mr. President.

Mr. President, I rise to join my colleagues from Tennessee and Pennsylvania and other States, all of whom are trying find themselves in the same position as we do in Michigan. States across America know best how to deal with the problems of the people who live in those States. Places like Michigan, Wisconsin, Pennsylvania, Tennessee, Texas, and many other jurisdictions have attempted to address the problems of their most needy citizens in thoughtful ways designed to try to the best degree possible move people from dependency on government programs to the economic ladder.

In Michigan we have been doing a variety of things over the past few years on a bipartisan basis; I would add to try to establish a set of programs that will work. These programs will work in Michigan. They might not work in Tennessee, or they might not work in New Hampshire. They might not work in Kentucky, or Pennsylvania. They are designed to work in Michigan. That is the way we believe welfare reform needs to be addressed, giving States the kind of flexibility to design programs best able to serve the constituencies in their jurisdictions.

It is interesting. The legislation which recently passed in Michigan with respect to welfare reform passed the Michigan State senate by a vote of 30 to 7. It passed the State house of representatives by a margin of 85 to 22. I promise my fellow Senators that is not a reflection of the partisan makeup of those legislative chambers. A 30-to-7 vote in the Michigan Senate and 85-to-22 vote in the Michigan House of Representatives reflects an overwhelming bipartisan decision to put in place a set of welfare reforms that will work for our State. That is what has happened.

These reforms come on the heels of others that have been implemented in the last 2 years. The results of Michigan's welfare reforms to date have been very impressive. Michigan's AFDC caseload has dropped from 221,000 cases in September 1992 to 176,000 cases in May 1996, a decrease of 45,000. The current AFDC caseload level is the lowest in nearly 25 years in Michigan. The caseload in our State have decreased for 26 straight months, and has fallen by more than 20 percent over the past 2 years. During fiscal year 1994 alone, nearly 30,000 individuals were placed into employment and since September 1992 over 90,000 AFDC cases have been closed as a result of earned income from employment.

In addition, by January 1996 the number of cases with earned income had risen 31.1 percent compared to the 15.7 percent of cases with earned income in September 1992.

Mr. President, this reflects a successful effort undertaken on a bipartisan basis in my State of Michigan designed to address the concerns and the problems of the neediest people in our State. We believe we have the best insight into solving Michigan's problems—a better insight than anyone in other States, and certainly a better insight than those in the bureaucracies in Washington.

For that reason, Mr. President, I join in this amendment. We want to give Michigan the chance to go further, to continue the success that we have had, to build on that success to try to make sure that everybody in Michigan who in any sense desires the opportunity to move onto the economic ladder gets the chance to do so. So that is why I join in this amendment.

The legislation which was passed in Michigan that became then the waiver sought from the Federal Government and that is part of this amendment here tonight is, I think, the right solution for our State. It is what the people of Michigan on a bipartisan basis have said is the right solution for our State. It frees us to give us the flexibility to move forward and solve people's problems rather than spending too much time solving problems created by bureaucracy.

Just to put that in perspective, we did a study in Michigan. We talked to the people on the front lines in the social services department which we now call the Family independence department. We discovered, interestingly, that two-thirds of the time of the folks whose job it is to help people get out of dependency is spent not helping people get out of dependency but is spent handling paperwork and redtape, most of it emanating from Washington, and only one-third of this time is spent trying to actually assist the folks who they are trying to help.

Our legislation will try to put the priorities where they ought to be. The proposal that we include in this amendment, this waiver that was sought, includes a number of innovations that will assist Michigan.

It will require attendance for all adult AFDC, food stamp, and State general assistance applicants or recipients at a joint orientation meeting with the family independence agency and Michigan's Jobs Commission personnel as a condition of eligibility.

It will require recipients to enter into a family independence contract.

It will require compliance with work activity requirements within 60 days.

Failure to comply will result in the loss of the family independence and AFDC benefits, and food stamps for a minimum of 1 month, and until there is compliance with work requirements.

It will require teen parents to live in an adult supervised setting and stay in school. Failure to comply will result in case closure.

The proposal includes many other similar programs designed to place incentives into the structure for people who, in fact, want to get out of dependency and onto the economic ladder. But at the same time our waiver is designed to give people some of the tools they need to be on that ladder.

It provides greater employment-related services, guaranteed access to child care, guaranteed transportation so people can get to the jobs we hope to create and make available to them, and guaranteed access to health care for anyone leaving welfare for work—in short, assistance and incentives for those seeking employment just as we also include increased responsibility for individuals receiving assistance.

Third, our program will remove unnecessary and overly burdensome regulations; provides a vastly simplified application form reduced from the current 30 pages down to 6; provides for the most dramatic simplification of AFDC food stamp and medical assistance anywhere in the country, and it streamlines services by establishing a single point of contact with the welfare office for each welfare recipient regardless of the mix of benefits received.

Finally, the program encompassed in this amendment will strengthen families and increase community involvement.

It provides additional funding for prevention services to help keep children safe and strengthen families.

And, it will allow faith-based organizations to work with communities to address the needs of welfare recipients.

In short, it is a balanced approach tailor-made to assist those in Michigan who are needy, and those in Michigan who are currently dependent on Government support in the best way we can craft to get out of that dependency and onto the economic ladder.

We recognize how to do this in Michigan for our citizens. We have developed a plan that has moved us a long way in the right direction.

If we were given the opportunities created by the waiver we have sought, which we embody in this amendment, we think we can go the final steps it takes to give the people in our State opportunity regardless of where they

live, regardless of economic condition, and regardless of their current status. We will give them hope.

That is what I believe this overall welfare reform bill before us is designed to do, to give States the flexibility, to give States the opportunity to design programs that will work for them, not programs that work in one State but programs that work individually State by State, not programs dreamed up in Washington but programs designed in State capitals and in major cities of this country for the people who live in those communities.

For that reason, I strongly support this amendment. I believe that if Michigan, Tennessee, Pennsylvania, Wisconsin, and other States are given this flexibility, given the chance to have the programs they have designed put into place, it will create the kind of opportunity we want for every American citizen.

For that reason, I strongly support the amendment. I thank the Senator from Tennessee for bringing it before us this evening.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. FORD. Mr. President, how much time does this side have?

The PRESIDING OFFICER. The side of the Senator from Kentucky has 22½ minutes and the Senator from Tennessee has 10 minutes.

Mr. FORD. Mr. President, I have just had an opportunity to sit down and read this amendment. I have operated as a Governor and understand what Governors like to say and what Governors like to do. Governors want the money now at the higher level but when we start decreasing the amount of funds the State receives, it is going to be difficult for them to reduce their expenditures or reduce the number, and so we find that is going to be somewhat difficult for them to do.

I have some problem with us micromanaging any program. Mr. President, I looked at these projects that are here. Some of them sound good, others not necessarily. Fraud Detection Project, that sounds interesting. Actively Creating Tomorrow for Families Demonstration. I do not know, are you supposed to look at these and just approve them without studying them some? AFDC Barrier Removal Project; Intentional Program Violation Demonstration, Single Parent Employment Demonstration, Work-Not-Welfare and Pay For Performance, New Opportunities and New Responsibilities Demonstration.

Now, I am hopeful that we can get a welfare bill that the President will sign. We hear a lot about 80-something to a few votes for a bill that we passed. If that bill had gone to the President's desk, my judgment is that he would have signed it. I think we are close to getting a bill that will be signed. I am one who wants to vote for welfare reform. I hope we can listen to Senators like the Senator from Louisiana and others who are trying to protect children. I think we have gone much, much too far in trying to be harsh on parents and then in turn being harsh on children.

So, Mr. President, in listening to the Governors, the other side of the aisle, the Republicans are not listening to the Governors except in certain cases where they want to listen to them. We have endorsements of the National Governors' Conference as it relates to vouchers and the amendment of the Senator from Louisiana. The Governors have endorsed that. But they do not pay any attention to that one. We are going to be against it. I think it is wrong. So now the Governors want all this. Are we supposed to flip over and say, yes? You did not do that when I was Governor. I had to come up here and cry a little bit, shed some crocodile tears, try to get something more for my State.

So I hope we will not try to micromanage this particular operation. As I say, the President has issued 67 waivers to 40 States. But none of these waivers, in my opinion, in reading them, are all directly welfare connected. Maybe they are. But some of the programs as they are listed lead me—work first, I like that. I like Gov. McWherter's program in Tennessee. I thought Governor Ned McWherter did a good job. It took a lot of bumps; it took a lot of skin off his back, as we say politically, but I thought Governor McWherter did a good job in Tennessee.

So since I am here standing in for others, I hope that we will be very careful with the vote as it relates to micromanaging welfare. If we are going to give it to the States, let us give it to the States and let us do it in a bill; let us do it legislatively; let us do it statutorily, and let us not start telling the President what to do and what not to do, because their President did not do nearly as well as this President. You have to look at the number of jobs that we have had. That reduces the amount of welfare in a State—more jobs, less welfare. And I can take credit for unemployment being at a low level in my State. We are doing great. We have so many people off welfare. We are saving this kind of money. All these programs are working. But if the economy is good, Mr. President, then all States are going to look good, and as of now the economy is good and all States are faring somewhat better.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. FRIST addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. FRIST. I understand we have 10 minutes.

The PRESIDING OFFICER. The Senator is correct.

Mr. FRIST. I yield 8 minutes to the Senator from Pennsylvania.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized for 8 minutes.

Mr. SANTORUM. I thank my friend from Tennessee. I will not take the entire 8 minutes. I rise in support of this amendment.

I ask unanimous consent that Senator BOND from Missouri be added as a cosponsor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SANTORUM. In fact, Senator BOND has introduced legislation, frankly, that goes further than the sense of the Senate. Senator BOND's legislation would actually move the Senate to approve of the Wisconsin waiver and a bill similar to what passed in the House of Representatives, passed through the Senate and actually forced the President's hand on the Wisconsin waiver.

That is the most publicized waiver, frankly, because the President said, and I will quote his words, in his Presidential radio address back on May 18:

> All in all, Wisconsin has the making of a solid, bold welfare reform plan. We should get it done.

''Get it done,'' meaning approve the waiver.

> I pledge that my administration will work with Wisconsin to make an effective transition to a new vision of welfare based on work, that protects children and does right by working people and their families.

That is what the President said. He said he wanted to do it with the waiver. He said he was for the waiver. In fact, he went so far as to make it the real focus of his radio address to the American public. Unfortunately, his administration has not approved those waivers yet. He set an artificial deadline, he has for quite some time, of a 30-day turnaround on all waiver requests by the States. He, as the Senator from Tennessee mentioned, has not met that 30-day requirement recently. In fact, we have the Wisconsin plan and here we are in the middle of July and he has not approved what is now a 12-month-old waiver request.

Unfortunately, we learn that while the President is still running around the country talking about how good the Wisconsin plan is, the President's people are saying that they are not going to approve the plan, which led Governor Thompson the other day down at the National Governors' Association to say, ''We are sort of shaking our heads, not knowing what's going on, who to believe.''

Well, in the end, I always found that it is best policy to believe what you see, not what you hear from this administration. And what you see from this administration is not approving your waiver. That is pretty concrete evidence of whether you are going to get it approved or not. The fact that they are not approving it, in effect, the bureaucrats in the administration are saying the likelihood of your getting through the approval process is not good. And it is not a simple approval

process. It sounds like these waivers are no big deal; everybody gets them approved. Remember, these get approved; they get modified; they get altered a little bit; they have to sort of work with the Federal Government to make changes that they in the Federal Government believe is best for the State. In the case of Wisconsin, in order to put the plan in effect, the State requested waivers from 83 Federal provisions administered by HHS. So they needed 83 separate decisions by the Department of Health and Human Services to get those waivers. They needed five from the Department of Agriculture to get their overall waiver approved by the Federal Government. This is no small task. It is a task that, under our bill, the bill that is before the Senate right now, would be unnecessary.

The Senator from Delaware, I think accurately and perceptively, questioned the Senator from Tennessee about whether this bill would make all of this rather expensive, time-consuming and inefficient process of waivers necessary in the future. If, in fact, we are going to use the States, as the States have been used recently, as incubators for changing the welfare system, we should give them more flexibility in dealing with this program.

We should give them the opportunity to design programs that fit their needs, not judged by people in Washington who maybe have never set foot in that State, who do not know the particular problems in the communities, but by people who represent those communities, as Senator ABRAHAM was talking about, the State legislators who live in those communities, who represent those people in a much smaller area, in a district in those States—those are the people who should make decisions about what the welfare system should look like; not people at Health and Human Services.

So one of the reasons I wanted to sign on to this effort was to highlight the inconsistencies—not surprising to my mind—but the inconsistencies between what the President says and what the President has done on one of the most important issues before us, which is welfare reform. We have, obviously, the President's record overall on what he says and what he does on welfare, which is he runs television commercials all over the country saying he is for welfare reform and then every chance he has to sign welfare reform, he finds a reason to veto it. I hope this is not the case this time around. I am confident we will send him a bill that he certainly can sign. The question is whether he will sign it, but he certainly will talk a good game up until that point. But when the rubber hits the road, whether it is waivers or whether it is the actual bill, the President has fallen short in the area of welfare reform.

Part of my reason for cosponsoring this legislation is that Pennsylvania has just recently passed welfare reform legislation. They are going to be requesting a couple of waivers from the Federal Government. They will be submitting them shortly. I am hopeful the President will go along with what Pennsylvania has wanted to do with Governor Ridge's plan to reform the welfare system and Medicaid system. To try to reduce the strain on the State budget, frankly, is one reason; but also to provide a better future for the people in Pennsylvania who are on welfare.

So I congratulate the Senator from Tennessee for his efforts. I hope we can approve this amendment and send a very strong signal we want the administration to move more quickly and more efficiently when it comes to granting waivers.

I reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time? The Senator from Tennessee.

AMENDMENT NO. 4914, AS MODIFIED

Mr. FRIST. Mr. President, I yield myself 1 minute. I ask unanimous consent to modify my amendment No. 4914. I send that modification to the desk. As part of that unanimous consent, I ask that Senator BOND be added as a cosponsor.

The PRESIDING OFFICER. Is there objection to the request? Without objection, it is so ordered.

The amendment as modified is as follows:

At the appropriate place, add the following new section:

**SEC. . SENSE OF CONGRESS**

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Health and Human Services has not approved in a timely manner, State waiver requests for programs carried out under part A of title IV of the Social Security Act or other Federal law providing needs-based or income-based benefits (referred to in this resolution as ''welfare reform programs'');

(2) valuable time is running out for these States which need to obtain the waivers in order to implement the changes as planned;

(3) across the country there are 16 States, with 22 waiver requests for welfare reform programs, awaiting approval of the requests by the Secretary of Health and Human Services;

(4) on July 21, 1995, in Burlington, Vermont, President Clinton promised the Governors that the Secretary of Health and Human Services would approve their waiver requests within 30 days; and

(5) despite the President's promise, the average delay in approving such a waiver request is currently 210 days and some of the waiver requests have been pending since 1994.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should ensure that the Secretary of Health and Human Services approves the following waiver requests for Georgia—Jobs First Project, submitted 7/5/94; Georgia—Fraud Detection Project, submitted 7/1/96; Indiana—Impacting Families Welfare Reform Demonstration, submitted 12/14/95; Kansas—Actively Creating Tomorrow for Families Demonstration, submitted 7/26/94; Michigan—To Strengthen Michigan Families, submitted 6/27/96; Minnesota—Work First Program, submitted 4/4/96; Minnesota—AFDC Barrier Removal Project, submitted 4/4/96; New York—Learnfare Program, submitted 5/31/96; New York—International Program, Violation Demonstration, submitted 5/31/96; Oklahoma—Welfare Self-Sufficiency Initiative, submitted 10/27/95; Pennsylvania—School Attendance Improvement Program, submitted 9/12/94; Pennsylvania—Savings for Education Program, submitted 12/29/94; Tennessee—Families First, submitted 4/30/96; Utah—Single Parent Employment Demonstration, submitted 7/2/96; Virginia—Virginia Independence Program, submitted 5/24/96; Wisconsin—Work Not Welfare and Pay for Performance, submitted 5/29/96; And Wyoming—New Opportunities and New Responsibilities—Phase II, submitted 5/13/96; California—Assistance Payment Demonstration Project, submitted 3/13/96; California—Work Pays Demonstration Project, submitted 11/9/94; Hawaii—Pursuit of New Opportunities, submitted 5/7/96; West Virginia—West Virginia Works, submitted 7/1/96.

Mr. FORD. Mr. President, I am about to yield back what time we have. Is the Senator yielding his time?

Mr. FRIST. I, too, am ready to yield back.

Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

Mr. FORD. Mr. President, we have an amendment that has been agreed to. I ask unanimous consent the Senator from Massachusetts [Mr. KERRY], be given 60 seconds to offer his amendment and get it modified so it could be passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. FORD. I thank the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized.

AMENDMENT NO. 4913, AS MODIFIED

Mr. KERRY. Mr. President, I call up my amendment on child poverty which was submitted earlier tonight. I ask unanimous consent this amendment be modified in a manner that has been agreed to by both sides. I send the modification to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Massachusetts [Mr. KERRY] proposes an amendment numbered 4913, as modified.

Mr. KERRY. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 413 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

''(h) CHILD POVERTY RATES.—

''(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this part, and annually thereafter, the chief executive officer of a State shall submit to the Secretary a statement of the child poverty rate in the State as of such date of enactment or the date of such subsequent statements. Such subsequent statements shall include the change in such rate from the previous statement, if any.

''(2) INCREASE IN RATE.—

''(A) IN GENERAL.—With respect to a State that submits a statement under paragraph (1) that indicates an increase of 5 percent or more in the child poverty rate of the State from the previous statement as a result of the changes made by the Act, the State shall, not later than 90 days after the date of such statement, prepare and submit to the Secretary a corrective action plan in accordance with paragraph (3).

''(3) CORRECTIVE ACTION PLAN.—

''(A) IN GENERAL.—A corrective action plan submitted under paragraph (2) shall outline that manner in which the State will reduce the child poverty rate within the State. The plan shall include a description of the actions to be taken by the State under such plan.

''(B) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives the corrective action plan of a State under subparagraph (A), the Secretary may consult with the State on modifications to the plan.

''(C) ACCEPTANCE OF PLAN.—A corrective action plan submitted by a State in accordance with subparagraph (A) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

''(4) COMPLIANCE WITH PLAN.—

''(A) IN GENERAL.—A State that submits a corrective action plan under this subsection shall continue to implement such plan until such time as the Secretary makes the determination described in subparagraph (B).

''(B) DETERMINATION.—A determination described in this subparagraph is a determination that the child poverty rate for the State involved has fallen to, and not exceeded for a period of 2 consecutive years, a rate that is not greater than the rate contained in the most recent statement submitted by the State under paragraph (1) which did not trigger the application of paragraph (2).

''(C) LABOR SURPLUS AREA.—With respect to a State that submits a corrective action plan under paragraph (2)(B), such plan shall continue to be implemented until the area involved is no longer designated as a Labor Surplus Area.

''(5) METHODOLOGY.—The Secretary shall promulgate regulations establishing the methodology by which a State shall determine the child poverty rate within such State. Such methodology shall, with respect to a State, take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and the county by county estimates of children in poverty as determined by the Census Bureau.

Mr. KERRY. Mr. President, the welfare bill before us today would allow States to experiment with various welfare policies. Many States may implement innovative welfare policies to move parents from welfare to work. But if we are sending Federal money to States, if we are going to take this risk and allow States to experiment, let's be sure that child poverty does not increase.

This amendment, which I introducing with Senator MURRAY, says that if child poverty increases in a State after the date of enactment of this welfare bill, that State would be required to submit a corrective action plan.

There is nothing more important to this debate than constantly reminding ourselves that our focus is—or ought to be—this Nation's children. That was the focus when under Franklin Roosevelt's leadership title IV–A of the Social Security Act was originally enacted. The objective here is to help impoverished children.

Let me acknowledge right up front that this amendment will be subject to a point of order under the Byrd rule and will require 60 votes to pass. I want to say to my Republican colleagues that it is outrageous that we are debating welfare reform under budget reconciliation rules. We should not be considering such major changes affecting millions of children and families and cutting more than $60 billion from human service programs under budget rules that make almost any substantive amendment out of order. There is no reason to debate welfare reform under budget reconciliation except for the majority to make it significantly harder to make any changes to this bill, even changes supported by a majority of members. But despite this unreasonable hurdle erected by the majority party, we must attempt to remedy problems in the bill.

What does this amendment do? This amendment says that if the most recent State child poverty rate exceeds the level for the previous year by 5 percent or more then the State would have to submit to the HHS Secretary within 90 days a corrective action plan describing the actions the State shall take to reduce child poverty rates.

Mr. President, I want to be clear that this amendment in no way intrudes on a State's ability to design its own welfare program. State flexibility would not be decreased in any way. This amendment simply says that if a State's welfare system increases child poverty, that State must take corrective action.

Mr. President, there are many very different views of welfare in this Chamber. But I believe all of us regardless of party can agree on two things at least: we can all agree that the child poverty rate in this country is too high. The fact is that 15.3 million U.S. children live in poverty. This means that more than one in five children—21.8 percent—live in poverty. In Massachusetts, there are more than 176,000 children who live in poverty. And despite the stereotypes, Mr. President, the majority of America's poor children are white—9.3 million—and live in rural or suburban areas—8.4 million—rather than central cities—6.9 million.

The other thing on which we can all agree, because it is a fact rather than an opinion, is that the child poverty rate in this country is dramatically higher than the rate in other major industrialized countries. According to an excellent, comprehensive recent report by an international research group called the Luxembourg Income Study, the child poverty rate in the United Kingdom is less than half our rate, 9.9 percent, the rate in France is less than one-third of our rate, 6.5 percent, and the rate in Denmark 3.3 percent is about one-sixth our rate.

Mr. President, we know that poverty is bad for children, This should be obvious. Nobel Prize-winning economist Robert Solow and the Children's Defense Fund recently conducted the first-ever long-term impact of child poverty. They found that their lowest estimate was that the future cost to society of a single year of poverty for the 15 million poor children is $36 billion in lost output per worker. When they included lost work hours, lower skills, and other labor market disadvantages related to poverty, they found that the future cost to society was $177 billion.

With this amendment, I want to make sure that, at the very least, if a State's welfare plan increases child poverty—instead of increasing the number of parents moving from welfare to work and self-sufficiency—that State will take immediate steps to refocus its program.

Mr. President, I also want to say that I hope that our extremist colleagues on the House side do not ultimately prevail again in conference. This effort to reform welfare should not be scuttled by a conference report they call welfare reform but that children will only know as their ticket to empty stomachs and hopelessness.

Mr. President, I want to thank Chairman ROTH and his staff, Senator MOYNIHAN and his staff, and Senator EXON and his staff for their assistance and their willingness to accept this amendment that I believe will benefit children across the Nation.

Mr. President, as we know, the child poverty rate in the United States is dramatically higher than that in other industrial countries. It is in our obvious interest, in whatever we do with respect to welfare reform, that whatever we do here not increase that rate.

This seeks, by agreement on both sides, to simply measure where we are today with respect to child poverty and, if there is an ascertainable difference as a consequence of the measures of this act that increases it, then the Secretary of Health and Human Services has the ability to ask that particular State to come up with a remedy. There is no forced remedy. There is no mandate. It is simply a requirement to try to deal with the obvious negative consequences or unintended consequence of anything we might do here.

The PRESIDING OFFICER. The time of the Senator has expired.

If there be no further debate, the question is on agreeing to the amendment.

The amendment (No. 4913), as modified, was agreed to.

Mr. FORD. Mr. President, I move to reconsider the vote.

Mr. KERRY. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. KERRY. I thank my colleagues.

The PRESIDING OFFICER. The Senator from Iowa.

AMENDMENT NO. 4915

(Purpose: To require each family receiving assistance under the State program funded under part A of title IV of the Social Security Act to enter into a personal responsibility agreement)

Mr. HARKIN. Mr. President, I have a couple of amendments. I send the first one to the desk and ask for its immediate consideration. I send this amendment to the desk on behalf of myself and Senator COATS of Indiana.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for himself and Mr. COATS, proposes an amendment numbered 4915.

Mr. HARKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Section 408 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

''(d) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY AGREEMENT WITH EACH FAMILY RECEIVING ASSISTANCE.—

''(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into a personal responsibility agreement (as developed by the State) with the State.

''(2) PERSONAL RESPONSIBILITY AGREEMENT.—For purposes of this subsection, the term 'personal responsibility agreement' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

''(A) contains a statement that public assistance is not intended to be a way of life, but is intended as temporary assistance to help the family achieve self-sufficiency and personal independence;

''(B) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient, including an employment goal for the individual and a plan for promptly moving the individual into paid employment;

''(C) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

''(D) provides for the imposition of sanctions if the individual refuses to sign the agreement or does not comply with the terms of the agreement, which may include loss or reduction of cash benefits;

''(E) provides that the contract shall be invalid if the State agency fails to comply with the contract; and

''(F) provides that the individual agrees not to abuse illegal drugs or other substances that would interfere with the ability of the individual to become self-sufficient, or provide for a referral for substance abuse treatment if necessary to increase the employability of the individual.

''(3) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

''(4) DISPUTE RESOLUTION.—The State agency shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

Mr. HARKIN. Mr. President, when individuals are hired for a job they are handed a job description, a job description which outlines their responsibilities so on day one they know what is expected in order to earn a paycheck. However, when individuals go into a welfare office to sign up for benefits, they fill out an application and then the Government sends them a check. There is no job description, nothing is expected on day one. The individual goes home and collects a check. I believe that is wrong. It saps an individual's self-esteem and makes a family dependent.

We must fundamentally change the way we think about welfare. We should be guided by common sense and build a system based on a foundation of responsibility. If you want a check, you must earn it and you must follow the job description. We need to stop looking at welfare as a Government giveaway program. Instead, welfare should be a contract, demanding mutual responsibility between the Government and the individual receiving the benefits. The contract should outline the steps a recipient will take to become self-sufficient, and also a date certain by which benefits will end. Responsibility should begin on day one, and benefits should be conditioned on compliance with the terms of the contract. Essentially, the contract would outline the responsibilities for an individual, just like a job description outlines a worker's duties. It builds greater accountability in the welfare system and sends the clear message that welfare as usual is no more.

A binding contract of this nature makes common sense, and it works. Here is how I know. The Family Investment Agreement, or contract, is the centerpiece of Iowa's innovative welfare reform program. The agreement or the contract is negotiated between individual recipients and their case workers. Failure to negotiate and sign a Family Investment Agreement or to refuse to follow its terms results in elimination of welfare benefits.

I meet with welfare recipients and their case workers on a regular basis in Iowa. I always ask them what they think about the requirement for this contract. An overwhelming number credit the contract for creating a fundamental change of the welfare system in Iowa, change which has meant fewer families on welfare and an increase in the number of families working and earning income and a decrease in the amount of money spent on cash grants. The results have been truly impressive in Iowa.

Caseworkers say the family investment agreement, or contract, has helped them guide families off welfare. Welfare recipients often say it is the first time that anyone ever asked them about their goals, and with the contract, they get a clear picture of exactly what is expected of them. That is an important first step toward making families self-sufficient.

The amendment I am offering with Senator COATS is simple. It builds on the successful reforms that are going on in our States; that welfare recipients negotiate and sign an agreement which outlines what will be done to move off welfare. A similar amendment was included in last year's bipartisan Senate bill. That bill we adopted 87 to 12. This would be a good improvement to the pending bill. Some changes were made in that amendment at the suggestion of Senator COATS, very good changes, I might add.

So I urge my colleagues to support that amendment.

Mr. President, I do not know if this amendment is going to be agreed to or not. There is some talk that it will be. We do not really know yet.

I ask unanimous consent that if this amendment is not agreed to that it be put over until Tuesday so that Senator COATS can speak on it. He could not be here this evening. So I ask unanimous consent that it be put over, that the vote on it be put over until Tuesday, and I will ask for the yeas and nays, which, if it is accepted, we can vitiate the yeas and nays.

The PRESIDING OFFICER. Is there objection to the unanimous consent request?

Mr. HARKIN. Let me rephrase that request. I ask unanimous-consent that this amendment, if it is not accepted, be put over to a vote until Tuesday so that Senator COATS might speak on it.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HARKIN. I ask for the yeas and nays on the amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. HARKIN. Mr. President, I still hope the amendment will be accepted after it is looked at. I do want to thank Senator COATS for his help in crafting this amendment and making changes to it. Again, I still hope it will be accepted. As I said, something similar to it was adopted unanimously on the bill we put through last fall.

Mr. HARKIN. Mr. President, I have a second amendment. It will not take very long.

AMENDMENT NO. 4916

(Purpose: To strike amendments to child nutrition requirements)

Mr. HARKIN. I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN] proposes an amendment numbered 4916.

Strike section 1253.

Mr. HARKIN. Mr. President, this amendment would strike the provision

in the bill that eliminates the existing program of grants for initiating or expanding school breakfast or summer food programs. The provision in the bill has nothing to do with welfare reform. It is merely killing a good program to save only a relatively small amount of money in terms of the total amount of money involved in this bill.

In fact, I believe this provision in the bill will actually hinder welfare reform, because it will mean more kids will be hungry during the school year and over the summer months. That is a circumstance that will make it harder for that family to get off welfare.

Many children having the greatest need for school breakfast and summer food assistance do not get the opportunity they should have to receive the benefits of these valuable programs. Currently, about 12 million low-income children take part in the School Lunch Program. Only about 5.5 million children participate in the School Breakfast Program, and the number of participants in the Summer Food Program is only about 2 million.

What these numbers mean is that a large proportion of low-income children who benefit from the School Lunch Program do not benefit from the School Breakfast Program and even fewer from the summer food program. Less than half of the low-income kids getting school lunches now receive breakfasts and less than 20 percent of low-income kids in the lunch program receive summer meals. There are many children who cannot take part in these very important programs because they simply are not available in their neighborhoods due to a lack of community resources.

Startup and expansion funds have proven themselves as a means to get these programs going in neighborhoods. What this program does is provide modest amounts of assistance to allow schools and summer food sponsors to get programs started or expand them in low-income areas. The school may need, for example, some equipment or some other resource that will help them deliver meals to hungry kids. There is no other program that is in existence to help out on these equipment and infrastructure needs. This is the only one.

The School Breakfast Startup and Expansion Program was begun by Congress to provide competitive grants for one-time expenses associated with starting a School Breakfast Program in individual schools. In 1994, the startup and expansion program was modified and made permanent and made to cover both school breakfast and the summer food programs.

The first grants under the new guidelines were announced in June of 1995, just last year. Forty-eight States have applied for grants; 31 States have received funding under this program. So it is needed, and it is helping to improve access of low-income kids to nutritious breakfasts and summer meals across the country.

There has been a resounding consensus from State departments of education that the availability of these funds has played a major role in increasing the availability of school breakfast and summer food programs to low-income kids. These funds are for one-time startup costs. Funding does not go on and on and on, but it provides schools and sponsors with the seed funds necessary to start or to expand to new sites these proven nutrition programs for children.

These startup and expansion funds have meant the difference between needy children going hungry in the morning—because their schools are too poor to afford the startup costs of a breakfast program—and children ready to learn after eating a school breakfast.

This bill that we have before us cuts spending by over $50 billion. My amendment would only have a minuscule effect on the magnitude of those savings. Mr. President, I submit that the cost in human terms, the cost in diminished futures for our Nation's children is far too high to pay in order to achieve the relatively minor spending reductions associated with the provision that my amendment strikes. By striking this provision, my amendment will ensure we continue to make a modest, sound investment in the nutrition, health, education and future of our children.

Finally, Mr. President, I believe that this amendment will actually save money in the long run, because kids who are well-nourished grow up healthy. They are able to learn and acquire the skills they need to live as productive members of society. That means less welfare dependency, less crime, less poor health and less cost to our society in dealing with the various ills that result from poor nutrition and stunted human development.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania is recognized.

Mr. SANTORUM. Mr. President, I rise in opposition to the Harkin amendment. The underlying provision that the Harkin amendment attempts to amend actually has some commonality here, bipartisan support, I should say.

The President, in his most recent welfare reform proposal, contained a provision to repeal the expansion grants, the grants that the Senator from Iowa wants to put back in.

In addition, the Democratic substitute which we voted on earlier today also repealed expansion grants. And I think the reason was that these expansion grants, at least for the school breakfast program, have been around for 6 or 7 years. With 6 or 7 years, that is a fair amount of time to have those grants on the table to use to grow the program. If they have not grown by now, they are probably not going to grow with respect to the summer food program. It has not been widely used.

The Senator from Iowa mentioned 31 States. But these are not State grants. They are grants to very small discreet schools. If you only have 31 in the entire country, that is hardly a significant expansion of the program. I think most everyone has recognized that we have sort of reached the end of the road with respect to expanding this program. And this money can be more efficiently spent elsewhere.

I remind Senators that this provision saves a substantial amount of money. What it is is $112 million that we were required to come up with in our reconciliation portion of the agriculture budget. And there is no offset provided for in this legislation. So if in fact we put these grants back, we are going to have to find other places, food stamps, other kinds of programs that I think have more political support, and for good reason, than these expansion grants. So I would urge my colleagues not to support this amendment.

I yield the floor.

Mr. HARKIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Just a small followup. I do not always agree with the President of the United States. These start-up and expansion grants stand on their own merits, without regard to what is contained in the President's or any other welfare reform proposal.

As the Senator from Pennsylvania says, this is kind of a modest program. But we did in 1994, as I said, make it permanent and modify it to include summer food start-up and expansion. We got the first of the new grants out last year. It is a modest program. It is not a big, overwhelming program. But it allows really the poorest schools to get the seed money.

As I said, it is a one-time infusion of money. Let us say they have some sites they want to deliver meals to. They have a central kitchen and they want to delivery some meals to other sites. Maybe they do not have a vehicle to do it. Well, this program would help them get the vehicle that will be able to deliver those meals to other sites, let us say, around the area.

So it is a one-time cost that will enable them to go ahead and have a breakfast program or a summer food program. It is needed. You say, well, it is a modest program. I suppose if it was big, they would argue it is too big. But it is a modest program and it is needed.

Right now, I say to my friend from Pennsylvania, that in the ag function we have over $500 million in excess spending reductions beyond the levels required by the budget resolution. CBO estimates that eliminating this program will reduce spending over 6 years by $112 million. So there is plenty of excess savings in the Agriculture Committee's portion of this bill to cover this amendment. I hope that we will correct this bill to allow these very important start-up and expansion grants for school breakfast and summer food programs to continue. Thank you very much.

Mr. SANTORUM. Just one of the reasons we had more savings than the ag

bill is because we had to meet a specific target in the last year. And to meet that target, we had to cut a little bit more than we needed to in the first few years to meet the outyear number. That is why if you change the numbers, then we do not have the numbers in the outyears. I say that in response.

I am willing to get the yeas and nays on this.

Mr. HARKIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. FORD addressed the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. FORD. May I ask the Senator from Iowa, did the Senator offer two amendments?

Mr. HARKIN. Yes. I offered two amendments.

Mr. FORD. Did we get the yeas and nays on the second one?

Mr. HARKIN. I did get the yeas and nays, but we had a unanimous consent to hold off until Tuesday.

Mr. SANTORUM. I say to the Senator from Iowa, in discussing the matter with the Senator from Delaware, we are prepared to accept the first Harkin amendment, the one that was pushed off until Tuesday and accept the amendment without the need for a vote, if that is acceptable to the Senator.

Mr. HARKIN. That would be very acceptable.

Mr. SANTORUM. Mr. President, I ask unanimous consent to vitiate the yeas and nays on the first Harkin amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The PRESIDING OFFICER. The yeas and nays have been ordered on the second Harkin amendment.

AMENDMENT NO. 4915

Mr. FORD. Mr. President, we are now ready to accept the Harkin amendment.

The PRESIDING OFFICER. The question is on agreeing to the Harkin amendment No. 4915.

The amendment (No. 4915) was agreed to.

Mr. FORD. I move to reconsider the vote.

Mr. SANTORUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. FORD. Mr. President, we have an amendment that is up from the Republican side. I understand that the Senator is not here. It is going to be offered by the acting floor manager. I do not know that we have anybody on our side. If the Senator wants to introduce it, then we would get the yeas and nays on it.

AMENDMENT NO. 4917

(Purpose: To ensure that recipients or caretakers of minor recipients of means-tested benefits programs are held responsible for ensuring that their minor children are up to date on immunizations as a condition for receiving welfare benefits from the taxpayers)

Mr. SANTORUM. Mr. President, I send an amendment to the desk on behalf of the Senator from Missouri, Senator ASHCROFT.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM] for Mr. ASHCROFT, proposes an amendment numbered 4917.

Mr. SANTORUM. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in chapter 9 of subtitle A, insert the following:

**SEC. . SANCTIONS FOR FAILING TO ENSURE THAT MINOR CHILDREN ARE IMMUNIZED.**

(a) TANF.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a State shall not be prohibited by the Federal Government from sanctioning a recipient of assistance under a State program funded under part A of title IV of the Social Security Act for failing to provide verification that such recipient's minor children have received appropriate immunizations against contagious diseases as required by the law of such State.

(2) EXCEPTION.—In the event that a State requires verification of immunizations, paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(b) FOOD STAMPS.—

(1) IN GENERAL.—A caretaker recipient of assistance or benefits under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, shall provide verification that any dependent minor child residing in such recipient's household has received appropriate immunizations against contagious diseases as required by the law of the State in which the recipient resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives benefits under the food stamp program shall result in a 20 percent reduction in the monthly amount of benefits paid under such program to such caretaker for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

(c) SSI.—

(1) IN GENERAL.—A caretaker of a minor child who receives, on their own behalf or on behalf of such child, payments under the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1681 et seq.) shall provide verification that the child has received appropriate immunizations against contagious diseases as required by the law of the State in which the child resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives, on their own behalf or on behalf of such child, payments under the supplemental security income program shall result in a 20 percent reduction in the monthly amount of each payment made under such program on behalf of the caretaker or such child for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

Mr. ASHCROFT. Mr. President, in 1994, one out of every four 2-year-olds had not received the proper vaccinations. This statistic worsens appreciably in urban areas. For example, a 1995 survey of State health department clinics in Houston found that only 14 percent of the children were up-to-date on their immunizations.

Because these children are not being immunized, the Centers for Disease Control reported 1,537 needless and easily avoidable incidences of mumps in 1994.

Such a deplorable lack of basic preventive health care is inexcusable, particularly since immunizations are free in America.

The Vaccines for Children Program administered by the National Immunization Program of the Centers for Disease Control and Prevention provides free vaccines to children under 18 who are eligible for Medicaid, or are uninsured or underinsured.

When a child in America is not immunized, it is entirely the fault of the parent. It is a blatantly irresponsible act not to immunize a child.

We should not be paying welfare recipients to abdicate their responsibility. The welfare system should encourage people to take care of their own.

Children are the future, and in order to break the cycle of dependence, children of welfare recipients need every break available.

All schools require immunization records for a child to be enrolled. An unimmunized child can be denied admission to school. And a child that doesn't go to school will probably end up on welfare.

What's wrong with requiring parents on welfare to have their children immunized? We shouldn't be paying parents to neglect their children.

This amendment allows States to sanction welfare recipients of TANF, and other States programs who do not immunize their children.

This amendment also requires States to sanction Food Stamps and SSI recipients who do not immunize their children.

Again, immunizations are free to Medicaid recipients and the uninsured

in hospitals and clinics across the Nation, so there is simply no legitimate excuse for parents not to have their children immunized. Additionally, States think immunization requirements for government aid are a good idea.

According to the American Public Welfare Association 12 States have received Federal waivers to implement AFDC requirements for immunization.

For example: Delaware, immunization is required for pre-school children. Failure to comply results in $50 decrease per month in AFDC grant. Indiana, recipients must show proof within 12 months of AFDC application that children are immunized. Families in noncompliance are sanctioned $90 per month. Michigan sanctions AFDC families $25 per month if parents fail to immunize pre-school-age children according to State policy. Mississippi children under 6 must receive regular immunization and checkups or sanction of $25 per month applies. AFDC preschoolers in Texas must be immunized or the State may sanction the family $25 per child. And finally, in Virginia, AFDC recipients with children who have not been immunized receive fiscal sanctions of $50 for the first child and $25 for each additional child.

This amendment is the best means to ensure that all children everywhere are immunized against deadly, but easily controllable diseases such as mumps, tetanus, measles, polio, et cetera.

It is a first step to encouraging responsibility in a system that breeds decadence and dependence—a step upward on the ladder of opportunity out of our current welfare system's net of ensnarement.

Mr. FORD. Mr. President, I yield back what time we might have on this side.

Mr. SANTORUM. Likewise.

Mr. President, I ask for the yeas and nays on the Ashcroft amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WELLSTONE addressed the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

AMENDMENT NO. 4918

(Purpose: To revise this legislation if it increases the number of impoverished children in this Nation)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE] for himself and Mr. SIMON, proposes amendment numbered 4918.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place insert the following:

''IMPOVERISHED CHILDREN PROVISION.—

''(A) REPORT BY THE SECRETARY, ACCOMPANIED BY LEGISLATIVE PROPOSAL.—The Secretary of Health and Human Services shall develop data and, by January 30, 1999, shall report to Congress with respect to whether the National child poverty rate for Fiscal Year 1998 is higher than it would have been had this Act not been implemented. If the Secretary determines that this rate has increased and that such increase is attributable to the implementation of provisions of this Act, then such report shall contain the Secretary's recommendations for legislation to halt this increase. The Secretary's report shall be made public and shall be accompanied by a legislative proposal in the form of a bill reflecting said recommendations.

''(B) CONGRESSIONAL ACTION.—

''(1) The bill described in (A) shall be introduced in each House of Congress by the Majority Leader or his designee upon submission and shall be referred to the committee or committees with jurisdiction in each House.

''(2) DISCHARGE.—If any committee to which is referred a bill described in paragraph (1) has not reported such bill at the end of 20 calendar days after referral, such committee shall be discharged from further consideration of such bill, and such bill shall be placed on the appropriate calendar of the House involved.

''(3) FLOOR CONSIDERATION.—Any bill described in paragraph (1) placed on the calendar as a result of a committee's report or the provisions of paragraph (2) shall become the pending business of the House involved within 60 days after it has been placed on the calendar of such House, unless such House shall otherwise determine.''

Mr. WELLSTONE. Mr. President, this amendment is on behalf of myself and Senator SIMON. This amendment is a very simple and straightforward amendment. And it is my fervent hope that this amendment will have strong bipartisan support.

Mr. President, let me just assume—and I think it is probably a correct assumption—that there is not one Senator in this Chamber that wishes to impoverish any more children in America, that when people say that they think the passage of this bill will not hurt children, they mean it. I accept that as having been said in good faith.

Mr. President, today the Washington Post, in an editorial, said that this welfare reform bill could be a profound mistake and called upon all of us to be cautious, that one out of every eight children in America is covered by the AFDC program, the welfare program.

Mr. President, let me give you the context, and then let me go right to the amendment. The context is as follows. I think we are going to be very honest about this. As the old saying goes, people can be in honest disagreement about this bill. But the fact of the matter is, we do not know for certain. There are some ardent advocates for this welfare bill. And there are those who have spoken in strong opposition.

One of those Senators who has been most vocal in his opposition is Senator PATRICK MOYNIHAN from New York, who has been a giant in the field, who has studied welfare longer than any of the rest of us, who is an acknowledged expert, and who has enormous intellectual and political and personal integrity.

Senator MOYNIHAN argues that this in fact would mean that there would be more impoverished children in America. That is his view. That is not the view of every Senator.

Mr. President, what this amendment says is that Health and Human Services takes a look at what we have done over the next 2 years. I know that Senators do not want this to be the case. But if, in fact, as a result of some of the provisions in this legislation there are more impoverished children in America, that report comes back to us, and we fast track it. It comes back to the Congress, we fast track it, and it comes to the floor in 20 days, and we take action to correct the problem.

Now, Senators, please understand what I am saying. I wish there was time to summarize this tomorrow. I am assuming everybody in this Chamber—and I believe it has been operating in good faith; we just have some honest disagreements. But I do not think any of us know for certain.

What I am saying in this amendment is, at least have some safety net here or some fail-safe mechanism. At least be willing to evaluate what we have done. We cannot know what we do not want to know. We cannot be unwilling to study what we have done. We cannot be unwilling to have some sort of evaluation, have Health and Human Services study this, bring it back to us, and if, in fact, because of some of the provisions in this legislation, there are more impoverished children in America—that is what the Office of Management and Budget said about the last bill we passed—then we would take a look at that study, and we, not Health and Human Services, we, as legislators, would take the kind of corrective action that would be necessary to make sure we do not continue to cause this poverty among children in America.

Mr. President, I am really hopeful that there will be strong support for this. I think it is a most reasonable amendment. I think it would be reassuring to people in the country. Frankly, I think it is a way we can reassure ourselves. I offer this amendment, and I hope that it will be accepted.

I withhold the balance of my time and ask for a response from the Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I do not see anything in this amendment that is necessary. We already get a variety of information from the Department of Health and Human Services, the Labor Department, and a whole lot of other agencies with respect to statistical information with respect to poverty rates and a whole variety of other factors dealing with children in poverty.

That information is compiled regularly and is made available to the Congress. So to have the Secretary of

Health and Human Services redo that in some report as requested by the Senator from Minnesota seems to me to be unnecessary.

If, in fact, the poverty statistics over the 2-year-period, as described in this legislation, show an increase in the poverty rate among children, I guarantee you that there will be Members, maybe from both sides of the aisle if it is dramatic, who will come here to the floor and will be looking to make some changes in the welfare program.

I suggest we have seen increases in poverty with the current system on many occasions, almost continually over the past 30 years, and we have never done anything as dramatic as what the Senator from Minnesota is suggesting with this proposal. I think what we are seeing here is really nothing more than putting in some sort of structure in some very limited and constrained timing. Why not 2 years? Why not 5 years? Why not 1 year? It is hard to pull a number like 2 years out of the hat.

This is a program that, once implemented, will be implemented differently across this country because of the flexibility given in this bill. There will be programs that I think will be dramatically successful which will have tremendous impact on the poor in this country. There are those, in all likelihood, that will have modest success. I think it is important to let that play out. It is important to give the Congress the flexibility to be able to deal with that in a rational, measured way, by debate, instead of forcing them into a rather tight timeframe that is being designed here by the Senator from Minnesota.

For those reasons, I oppose the Wellstone amendment.

Mr. WELLSTONE. Mr. President, the Senator from Pennsylvania evades the point. This amendment is not about collecting statistics about poverty in general. It is about this piece of legislation and doing something in the affirmative for children if, in fact, provisions in this piece of legislation should lead to an increase in poverty among children. Two years is hardly too tight a time line for children who might find themselves in more difficult economic circumstances because of what we have done.

In all due respect, I find it absolutely amazing that Senators who make the argument that this is going to be a piece of legislation that will not hurt children would now be unwilling to support a study to see whether, in fact, provisions in this piece of legislation are going to impoverish more children. You cannot evade the point.

I ask my colleague, what would be the harm in such a study? Gunnar Myrdal said, ''Ignorance is never random.'' Sometimes I guess we do not know what we do not want to know.

Before I move on to my other amendment, is there any particular response as to why?

Mr. FORD. Will the Senator yield?

Mr. WELLSTONE. I am happy to yield to the Senator.

Mr. FORD. We are starting something new, and it is down a path that we are not sure how it will turn out. I think that is the Senator's point.

The States will be doing this and not the Federal Government, as such, because in this legislation we would be giving block grants. I think we ought to know how that is faring out there.

I remember when the States were in charge of nursing homes. Because it was so bad, the Federal Government took it over and set higher standards so we could take care of our senior citizens better. Is it not the point that we do not know what will happen?

Like the Senator from Pennsylvania said, some programs may be good, some may be mediocre, some may flunk. Do we not need to know and respond, particularly for children? Is that not the point the Senator is trying to make?

Mr. WELLSTONE. I say to my colleague from Kentucky, absolutely.

I will give but one other example. It was President Richard Nixon, a Republican, who said we better have some national standards for food stamps, because we had all these reports in the mid and late 1960's. I am sure my colleague from Pennsylvania has read about those reports on children with extended bellies and children suffering from rickets and scurvy. We decided there better be some national standards.

If we are going to do something quite new, and we have Senators of the stature of Senator PATRICK MOYNIHAN who say this will impoverish more children, and we have two studies from OMB and Health and Human Services saying the same thing, I do not wish to cast judgment on it, but I cannot for the life of me understand why my colleagues would not want to at least have Health and Human Services study it and bring back a report to us, and if, in fact, some of the provisions of this legislation have increased poverty among children, we take corrective action.

My colleagues have said that will not happen, so why would you want to vote against this? Why would you not want to have a study? Why would you not want to have some measuring of statistics? Why would we not want to err on the side of caution when it comes to what we are doing, as it affects the poorest children in America? Why would we not want to err on the side of caution?

The silence is deafening; is there a response?

Mr. SANTORUM. Mr. President, I am happy to respond to the Senator from Minnesota. The answer simply is, like every other welfare program that has been instituted in this country, there are volumes of studies as to its impact by a variety of organizations from the left to the right, including the Government. I do not think there will be any shortage of information as to the efficacy of this new direction in welfare. That is No. 1.

No. 2, what your amendment provides for is not only reports, and I suggest duplicative reports, but congressional action, discharge for consideration, an expedited procedure, very expedited procedure for legislation, which is, again, I think, an overreaction and just not necessary.

Mr. WELLSTONE. Well, Mr. President, I will finish up with one other quick amendment with my time slot. First, I will respond by saying one more time that it just evades the point. It is not a question of academics or whether there will be studies. It is a question of whether or not we are willing, as an institution, as a body, to say we are doing something very different. We want to make sure that in this legislation we pass we have some provision here to take a look at what we have done, so that the results will come back to us, so that if in fact, God forbid, we have done something that impoverished more children, we will take quick action to correct the problem. I cannot, for the life of me, understand the opposition to such a proposal. I am really shocked. Excuse me for my indignation, but I am.

Mr. President, I ask unanimous consent to lay this amendment aside and to offer my other amendment.

The PRESIDING OFFICER (Mr. FRIST). Is there objection?

Mr. ROTH. Mr. President, reserving the right to object, and I will not object, but I want to make some comments.

Mr. WELLSTONE. I am sorry. I yield for that purpose.

The PRESIDING OFFICER. Does the Senator withdraw the unanimous consent request for the moment?

Mr. WELLSTONE. Yes. I thank the Chair.

Mr. ROTH. Mr. President, every Senator here is concerned about the children of America, and we are particularly concerned about those children that are not having the kind of opportunity we all think they deserve. So I do not think the comments should be that we do not all seek the same benefits for the children in our country.

Just let me point out that the legislation reported out by the Finance Committee already provides for research, evaluation, and national studies. In section 413(a), we specifically provide that the Secretary shall conduct research on the benefits, efforts, and costs of operating different State programs funded under this part, including time limits relating to eligibility. Not only do we provide for studies, but we provide $15 million for each of the fiscal years from 1998 through 2001, with the purpose of paying the cost of conducting such research, for the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under section (b).

So we already have in the legislation ample provisions for studies to be made to determine how effective our reform

programs are. We all want that information. That is the reason it is contained in this bill.

However, we do object to the expedited procedure, whereby the Secretary of Health makes recommendations and they are put on an accelerated track to be considered by the Congress. I know of no instance where this kind of procedure has been used. Yes, we have had accelerated procedures in certain limited circumstances, such as trade bills. But the recommendations come from the President of the United States. I, for one, think that it is appropriate for the recommendations of these studies to go through the regular process of Congress.

My distinguished friend and colleague from Minnesota talks about the timeframe. Just let me point out that the present program has been in effect for about 30 years, and we have studies and recommendations from the CBO that show that if we do not do something about reform, that another 3 million children will be on welfare in the next 9 years. So do not talk to me about the timeframe. Let us all agree that we do want the studies, and we do want the independent analyses as to how these programs are working. But let us use the Congress and its normal processes, including its committees, to determine what is appropriate, rather than to give this kind of authority to a nonelected Member of the Cabinet.

Mr. WELLSTONE. Mr. President, I have just a quick response, and we will move on. First of all, I say to my friend from Delaware that to talk in general terms about studies and evaluations and not to connect it specifically to the issue that I raised in this amendment, as to whether or not we will in fact be willing to look at the very real and important questions as to whether this legislation or provisions in this legislation have impoverished more children, and then take corrective action, again, it misses the point. It is not a response to that very real concern.

Second of all, this it is not an agency that takes the action. Health and Human Services reports back to this body, and we are the ones that correct the problem. We are the ones that correct the problem. So, again, I do not really believe that the comments of my colleague are responsive to what this amendment speaks to.

Finally, on welfare—I cannot resist—and then we can move on. But this reference to the CBO study. With all due respect, when I hear my colleagues talk about welfare and how welfare caused poverty, it is tantamount to making the argument that Social Security caused people to grow old. You have the cause and effect mixed up. Every 30 seconds, a child is born into poverty in this country. We are getting close to one out of every four children. That is true. There are a whole host of reasons why we have this poverty. Welfare is a response to it. To argue that the welfare system causes the poverty is like saying the Social Security system causes people to be aged. You just have the cause and effect mixed up.

I yield the floor.

Mr. SANTORUM. Mr. President, I yield back all our time on the amendment.

The amendment is not germane to the provisions of the reconciliation bill pursuant to 305(b)(2) of the Budget Act. I raise a point of order against the pending amendment.

Mr. WELLSTONE. Mr. President, pursuant to section 904 of the Congressional Budget Act of 1974, I move to waive the applicable section of that Act for the consideration of the pending amendment.

Mr. SANTORUM. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4919

(Purpose: To ensure that States which receive block grants under Part A of title IV of the Social Security Act establish standards and procedures regarding individuals receiving assistance under such part who have a history of domestic abuse, who have been victimized by domestic abuse, and who have been battered or subjected to extreme cruelty)

Mr. WELLSTONE. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Minnesota [Mr. WELLSTONE], for himself and Mrs. MURRAY, proposes an amendment numbered 4919.

Mr. WELLSTONE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of section 402(a) of the Social Security Act, as added by section 2103(a)(1), add the following:

''(7) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.—

''(A) IN GENERAL.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to—

''(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

''(ii) refer such individuals to counseling and supportive services; and

''(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

''(B) DOMESTIC VIOLENCE DEFINED.—For purposes of this paragraph, the term 'domestic violence' has the same meaning as the term 'battered or subjected to extreme cruelty', as defined in section 408(a)(8)(C)(iii).

''(8) CERTIFICATION REGARDING ELIGIBILITY OF INDIVIDUAL WHO HAS BEEN BATTERED OR SUBJECTED TO EXTREME CRUELTY.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure that in the case of an individual who has been battered or subjected to extreme cruelty, as determined under section 408(a)(8)(C)(iii), the State will determine the eligibility of such individual for assistance under this part based solely on such individual's income.

Mr. WELLSTONE. Mr. President, I will try to be brief. This amendment speaks to an issue that we, as the Senate, have really, I think, taken some important steps and major strides forward in addressing, and that is domestic violence in our country, violence within families that effect women, children, and sometimes men—usually women and children.

Mr. President, this amendment would ensure that States that receive the block grant under part A of title IV of the Social Security Act establish standards and procedures regarding individuals receiving assistance who have a history of domestic abuse, who have been victimized by domestic abuse and have been battered or subjected to extreme cruelty.

There was a study done by the Taylor Institute in Chicago that documented that between 50 to 80 percent of women receiving AFDC are current or past victims of domestic abuse. In other words, for all too many of these women and children welfare, imperfections and all, is the only alternative to a very dangerous home.

So what this amendment would say is that States would be required to screen and identify individuals receiving assistance with a history of domestic violence, refer such individuals to counseling and supportive services, and waive for good cause other program requirements for so long as necessary.

This is what the States would essentially end up doing. It would all be done at the State level.

Mr. President, we cannot have ''one size fit all,'' as I have heard many of my colleagues so say. It took Monica Seles 2 years to play tennis again. Can you imagine what it would be like as a result of her stabbing—to be beaten up over and over and over again; can you imagine what it would be like to be a small child and see that happen in your home over and over again?

I want to make sure that these women and these children throughout our country, for whom the welfare system has been sometimes the only alternative to these very dangerous homes, receive the kind of special services and assistance that they need. In the absence of the passing of this amendment, all too many women and children could find themselves forced back into these very dangerous homes.

So it is a reasonable amendment. It is one that speaks to the very real problem of violence within homes in

our country. It would be an extremely important, I think, modification of this welfare bill that would provide assistance that is really needed by many women, many children, and many families in our country.

I hope that this amendment would be agreed to and would receive strong support, bipartisan support.

Mr. SANTORUM. Mr. President, there is no objection to this amendment on this side. We are willing to accept the amendment.

Mr. WELLSTONE. Mr. President, I thank the Senator from Pennsylvania.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Minnesota.

The amendment (No. 4919) was agreed to.

Mr. SANTORUM. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. WELLSTONE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Delaware.

Mr. ROTH. Mr. President, I have a unanimous consent agreement to propound to dispose of two amendments which have been agreed to on both sides of the aisle. They are Senator FAIRCLOTH's amendment to clarify that a welfare recipient may provide child care services to satisfy the bill's work requirements.

The second one is Senator COATS' amendment allowing welfare recipients to establish individual development accounts.

Mr. President, I ask unanimous consent that it be in order for me to offer these two amendments which I now send to the desk.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. Mr. President, reserving the right to object, has this amendment been cleared?

Mr. ROTH. Yes. Both have been cleared.

Mr. GRAHAM. Mr. President, I have been informed that the first amendment has not been cleared on this side.

Mr. ROTH. I understand that, although they have been cleared, a question has been raised.

So I withdraw my request until clarified.

Mr. DEWINE addressed the Chair.

The PRESIDING OFFICER. The Senator from Ohio.

AMENDMENT NO. 4920, WITHDRAWN

(Purpose: To amend the Social Security Act to clarify that the reasonable efforts requirement includes consideration of the health and safety of the child)

Mr. DEWINE. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Ohio [Mr. DEWINE] proposes an amendment numbered 4920.

Mr. DEWINE. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of chapter 7 of subtitle A of title II, add the following:

**SECTION 2703. CLARIFICATION OF REASONABLE EFFORTS REQUIREMENT BEFORE PLACEMENT IN FOSTER CARE.**

(a) IN GENERAL.—Section 471(a)(15) of the Social Security Act (42 U.S.C. 671(a)(15)) is amended to read as follows:

''(15) provides that, in each case—

''(A) reasonable efforts will be made—

''(i) prior to the placement of the child in foster care, to prevent or eliminate the need for removing the child from the child's home; and

''(ii) to make it possible for the child to return home; and

''(B) in determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be of primary concern;''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall be effective on the date of the enactment of this Act.

(2) EXCEPTION.—In the case of a State plan for foster care and adoption assistance under part E of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a), such plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

Mr. DEWINE. Mr. President, I intend to talk for approximately 10 minutes about this amendment, and then, for reasons which I am going to discuss in just a moment, withdraw the amendment. But I want to discuss it. I inform my colleagues that it will take approximately 10 minutes.

Mr. President, my amendment deals with the issue of foster care. It is my understanding that because the Senate bill has no language in this bill on the issue of foster care that my amendment would be considered not to be germane. The House bill does deal with foster care. Therefore, if we had a House bill before us it obviously would be germane. Because of this, after a few brief remarks, I am going to withdraw this amendment.

But I would like to discuss tonight what I consider to be a very important issue. It is the issue that my amendment addresses. It is the subject of a freestanding bill that I have just a few moments ago introduced. I believe that the idea contained in the bill, the idea contained in my amendment, must be acted upon; if not in this bill then in a subsequent bill. And I have previously discussed this issue at length on the Senate floor. I want to take just a few moments now to revisit the issue, and to talk to my colleagues about it.

In 1980, Congress passed the Adoption Assistance and Child Welfare Act, known as CWA. That 1980 act has done a great deal of good. It increased the resources available to struggling families. It increased the supervision of children in the foster care system, and it gave financial support to people to encourage them to adopt children with special needs.

Mr. President, while the law has done a great deal of good, many experts are coming to believe that this law has actually had some bad unintended consequences. The bad unintended consequences were not because of the way the law was written and not because of the way the lawmakers intended in 1980 that it happen, but, frankly, because the law has been grossly misinterpreted.

Under the 1980 act, for a State to be eligible for Federal matching funds for foster care expenditures, the State must have a plan for the provision of child welfare services. And that plan must be approved by the Secretary of HHS. This plan must provide, and I quote. Here is the pertinent language, referring now to foster care:

In each case reasonable efforts will be made, (A), prior to the placement of a child in foster care to prevent or eliminate the need for removal of the child from his home; and, (B), to make it possible for the child to return to his home.

In other words, Mr. President, the law very correctly says we should try family reunification. The law put money behind that. That is the right thing to do. But, Mr. President, this law has been misinterpreted. In other words, Mr. President, no matter what the particular circumstances of the household may be, the State must make reasonable efforts to keep it together and to put it back together, if it falls apart.

What constitutes reasonable efforts? Here is where the rub comes. How far does the State have to go? This has not been defined by Congress nor has it been defined by HHS. This failure to define what constitutes reasonable efforts has had a very important and very damaging practical result. There is strong evidence to suggest that in the absence of a definition reasonable efforts have become in some cases extraordinary efforts, unreasonable efforts; efforts to keep families together at all costs. These are families, Mr. President, that many times are families in name only and parents that are parents in name only.

In the last few months I have traveled extensively throughout the State of Ohio talking to social work professionals; talking to people who are in the field every day dealing with this issue.

In these discussions, I have found that there is great disparity in how the law is being interpreted by judges and by social workers. In my home State of

Ohio we have 88 counties, and I would venture to say the law is being interpreted 88 different ways and in some counties with many juvenile judges it is interpreted differently within that same county by different judges.

Let me give you an example. This is the easiest way that I can explain it. I posed this hypothetical, which it turns out in some cases, unfortunately, is not a hypothetical, but I made it up, I posed a hypothetical to representatives of children's services in both rural parts of Ohio and urban counties.

Here is my hypothetical. The mother, Mary, is a 28-year-old, crack-addicted individual who has seven children. Steve, the father, 29-year-old father of the children, is an abusive alcoholic, and all seven of their children have been taken away, taken away permanently by the county, by the State over a period of time. In each child's case, courts have decided these people cannot have this child; they are abusive; it is dangerous for the child. Not only that, we are taking them away permanently. The mother gives birth now to an eighth child. This newborn tests positive for crack. Therefore, it is very obvious that the mother is still addicted to crack. The father is still an alcoholic. Those are the facts.

Pretend for a moment that you work for the county children's services department. Here is the question, the question I posed to numerous people across Ohio. Does the law allow you to get the new baby out of the household, and if you do, should you file for permanent custody so that baby can be adopted? Can you file for permanent custody so that baby can be adopted?

The answer, I believe, will surprise and shock you. In fact, I was surprised at the response I got when I asked a number of Ohio social work professionals that very question. The answer varied from county to county but I heard too much ''no'' in the answers I got. Some officials said they could apply for emergency custody of the baby, they would get emergency custody and take the child away on a temporary basis, but that they would have to make a continued effort—do you believe this? They would then have to make a continued effort to send the baby back to the family, back to the mother, back to the father.

Other social workers said if they went to court to get custody of the baby, they probably would not be able to get even temporary custody of this little child. Most shocking of all, Mr. President, is the issue of adoption. I asked then with this hypothetical, with the seven children already having been taken away, with the eighth child now testing one day positive for crack, mother clearly still on crack, showing no signs she is going to get off, father continues to be an alcoholic, continues to be an abusive alcoholic, with all of those facts, how soon could I expect that this poor little baby would be eligible to be adopted?

Most shocking of all is the answer I got. The lowest figure I got was 2 years. That was the best I got; it would take 2 years for this child to be eligible to be adopted. In one urban county in the State of Ohio—and this is not unusual to Ohio—I was told it would take 5 years before that child was eligible to be adopted—5 years.

One social worker, just one out of the ones I asked, told me that her department would move immediately for permanent custody of the baby, but she said their success would depend on the particular judge that is assigned to the case.

Mr. President, should our Federal law really push the envelope this far? Should this Federal law really require extraordinary efforts? Should it require extraordinary efforts be made to keep that family together, efforts that any one of us clearly would not consider to be reasonable based on past history? I had one social worker look me in the eye and say, ''Senator, the problem is the way our courts interpret this law, we can't look at any history. We can't learn from the history of that family. We can't learn from the history of that abusive father or that abusive mother. We have to start over again each time.''

It is clear that after 16 years of experience with the law, there is a great deal of confusion as to how the act applies. Again, I do not believe that is the fault of the authors. I think that is just the way it has been interpreted. I would not interpret the law that way, but the fact is after 16 years we know it is being interpreted that way and is going to be interpreted that way.

My legislation is very simple, very short. My legislation would clarify once and for all the intent of Congress in the 1980 act. My legislation would amend that language in the following way. I am going to read in a moment what my language would add. I want to first state to the Senate that I would not change any of the language in the current law. I would add to it, but I would not change it. I would not change the requirement for reasonable efforts to be made to reunify a family. That is a positive thing. That is something that we should try whenever it is reasonable to do so. The people who make that decision are the people on the front lines, the social workers, the children's service agencies, the people who have to make life-and-death decisions. They are the ones who are going to have to make the decision. I just want to clarify the law and to get it back to where I think the framers of the law, people who wrote the law in this Congress in 1980, intended it to be. So I would add the following, after the current language:

> In determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be a primary concern.

Let me read it again:

> In determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be a primary concern.

I think that settles it; it clarifies it. Again, I think it does what the framers wanted.

In conclusion, Mr. President, the 1980 act was a good bill. There are some families that need a little help if they are going to stay together, and it is right for us to help them. That is what the Child Welfare Act did. But by now it should be equally clear that the framers of the 1980 act did not intend for extraordinary, unreasonable efforts to be made to reunite children with their abusers.

As Peter Digre, the Director of the Los Angeles County Department of Children and Family Services, testified at a recent House hearing, ''We cannot ignore the fact that at least 22 percent of the time infants who are reunited with their families are subjected to new episodes of abuse, neglect or endangerment.''

That was not the intent of Congress in the 1980 law, but too often that law is being misinterpreted in a way that is trapping these children in abusive households.

I believe we should leave no doubt about the will of the American people on this issue affecting the lives of America's children. The legislation I am proposing today would put the children first.

Now, Mr. President, for the reasons that I have stated in the beginning, I reluctantly ask the Chair to withdraw the amendment.

I ask unanimous consent to have the amendment withdrawn.

The PRESIDING OFFICER. The amendment is withdrawn.

The amendment (No. 4920) was withdrawn.

AMENDMENT NO. 4911

Mr. DEWINE. I yield the floor.

Mr. SANTORUM. Mr. President, I ask unanimous consent it be in order to ask unanimous consent to order the yeas and nays on amendment 4911.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. SANTORUM. I thank the Chair.

The PRESIDING OFFICER. The Senator from Florida.

Mr. GRAHAM. Mr. President, I would make a series of notions to strike provisions in S. 1956.

Mr. SANTORUM. Will the Senator from Florida agree to a time agreement at this point?

Mr. GRAHAM. Mr. President, 40 minutes, equally divided.

Mr. SANTORUM. I ask unanimous consent to have 40 minutes equally divided on the Graham motion without a second-degree amendment in order.

The PRESIDING OFFICER. Is there objection?

Mr. GRAHAM. I would modify that. It will require more than a single motion in order to strike the sections which I intend to strike from title II,

chapter C, of S. 1956. So could the reference to ''motions'' be placed in the plural?

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRAHAM. Mr. President, the purpose of the series of motions which I will make, which I hope will be considered as a single motion for purposes of our final vote, is to strike from this legislation those sections which relate to the eligibility of legal immigrants—legal immigrants—to receive various Federal needs-based benefits. I do this because to have this language in this welfare bill is both redundant and punitive in terms of those communities which have large numbers of legal immigrants and will have significant costs shifted to them as a result of this legislation.

I am joined in this effort by Senators SIMON, MURRAY and FEINSTEIN, who also recognize it would be inappropriate, and a duplication, to consider matters which have already been resolved by this body.

As we will all recall, it was only a few weeks ago, May 2, to be precise, that the Senate passed the Immigration Control and Financial Responsibility Act. This act, which had as its primary objective controlling illegal immigration into the United States, also contained provisions that restrict the rights of legal aliens to a variety of Federal needs-based programs.

This legislation was the result of extensive hearings and markups in the Judiciary Committee. It was subjected to exhaustive floor debate which lasted well over a week in the Senate. The majority of the time spent on the immigration bill dealt with the public benefits for legal and illegal immigrants. The availability of Supplemental Social Security Income, Aid for Families with Dependent Children, Medicaid and Medicare for immigrants, was examined during several floor votes which resulted in a comprehensive Senate bill.

I am going to say, I hope with not excessive arrogance, that this is a subject which I know something about. I was Governor of Florida in 1980 when over 125,000 immigrants in various legal categories came to my State in a period of a few weeks. Since that time, it has been estimated that the total unreimbursed cost of that incident to the State of Florida was in excess of $1.5 billion. Those were costs associated with health care, social services, education, housing, job training—a variety of activities which were necessary in order to facilitate the assimilation of that large population into the population of the State of Florida.

The State of Florida has tried for the better part of 15 years to get recognition of those costs which were incurred because of Federal immigration decisions, but which ended up being an unreimbursed, unfunded mandate on the State of Florida. This case finally ended up in the U.S. Supreme Court earlier this year. The decision of the U.S. Supreme Court: This is not a judicial issue. If the State of Florida, and other States which might be similarly affected, is to be dealt with, it has to be dealt with by a political judgment, not by a judicial remedy.

What distresses me is after having spent weeks shaping the bill which was intended to provide that type of structured legal response by the Federal Government when such impositions are placed by Federal action on a particular community or State, we now, in a bill which is going to be subject to 20 hours of debate—here it is after 10:30 at night—we are about to substantially rewrite, discard the fundamental policy premise of our previous actions and almost quadruple the amount of the unfunded mandate we are going to impose on affected States. In addition to the inappropriateness of us rejecting our previous work, we are making some very significant policy decisions without the kind of attention that we afforded to our earlier action on immigration.

What are some of those decisions we are about to make? In the previous bill, we used the concept of deeming. I wish the Senator from Wyoming were with us this evening, because he explained in great detail and on a repetitive basis what the theory of deeming is. It is that if a person sponsors a legal alien to come into this country, that that person should assume the financial obligations that will guarantee that their sponsored legal alien will not become a public charge.

Therefore, in terms of evaluating whether that legal alien qualifies—for instance, for Medicaid—you would add the income of the sponsor to the income of the legal alien. And if the combination of those incomes exceeded the eligibility threshold, then the legal alien would no longer qualify for that particular needs-based service. That concept of deeming that we worked so carefully on in the immigration bill is largely replaced in this legislation by absolute prohibitions against legal aliens being able to access these Federal programs.

Much of the legislation that we considered earlier and passed on May 2 was based on a recommendation of the U.S. Immigration Commission, which was established by act of Congress in 1990, and which issued a series of reports in the mid-1990's. This report, issued in 1994, entitled ''U.S. Immigration Policy: Restoring Credibility,'' while it spoke well of the concept of deeming as a means of assigning responsibility for legal aliens, went on to say:

> However, circumstances may arise after an immigrant's entry that create a pressing need for public health: unexpected illnesses, injuries sustained because of serious accident, loss of employment, death in the family. Under such circumstances, legal immigrants should be eligible for public benefits if they meet other eligibility criteria. We are not prepared to remove the safety net from under individuals who we hope will become full members of our polity.

That is precisely what this legislation does. It removes the social net.

This also will make a very significant difference in the dollar amount of unfunded costs shifted to the States. Under the bill we passed as immigration reform, the cost over 7 years was $5.6 billion.

This bill will impose an unfunded mandate of $23 billion over the next 7 years on States. Mr. President, in deference to the limited time that we have and the lateness of the hour, I will not unduly burden the Senate with the reports which I have, but I ask unanimous consent to have printed in the RECORD a statement from the National Association of Public Hospitals and Health Systems which outlines what the costs are going to be just in the one sector of health care institutions which are going to be a principal target of these unfunded mandates.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF THE NATIONAL ASSOCIATION OF PUBLIC HOSPITALS AND HEALTH SYSTEMS IN SUPPORT OF SENATOR GRAHAM'S AMENDMENT

The National Association of Public Hospitals and Health Systems (NAPH) strongly supports Senator Graham's amendment, cosponsored by Senator Simon, to strike Title IV from the welfare reform legislation. NAPH is strongly opposed to the legal immigrant provisions in the welfare reform bill because barring legal immigrants from Medicaid eligibility for five years and deeming legal immigrants out of Medicaid eligibility until citizenship would jeopardize the health care safety net in many urban areas.

Public hospitals would still treat immigrants but receive no reimbursement. Most low income legal immigrants cannot afford health insurance. Because of the legislation, however, all legal aliens will be ineligible for Medicaid.

Public hospitals would have new burdens of uncompensated care. The bar on Medicaid eligibility and Medicaid deeming would lead to an increase in the number of uninsured patients and exacerbate an already tremendous burden of uncompensated care on public hospitals and other providers who treat large numbers of low income patients. This is a cost shift from the federal government to state and local entities and providers.

Public hospitals would bear the costs of welfare reform. The cost shift created by the welfare legislation would disproportionately fall on public hospitals in states with large numbers of legal immigrants, such as Florida, California, Texas, New York, and Illinois. Public hospitals in states with lower levels of immigration would also bear the costs, because legal immigrants are part of almost every community.

There would be new public health risks. The loss of Medicaid coverage means that the amount of preventive care provided to legal immigrants would be drastically reduced, thereby exposing entire communities to communicable diseases while increasing the overall cost of providing necessary care.

Mr. GRAHAM. Mr. President, there are two other aspects of the policy shifts in this legislation. The immigration bill contained the shift in eligibility, the constriction of eligibility based on deeming for legal aliens in order to generate funds that would then be used to finance the programs

that were authorized in the illegal immigration sections of that bill to better protect our borders. What we are about to do here is to take all the money that is in the immigration bill that is intended to be used for border enforcement and divert it for the purposes of this welfare reform bill.

So all of the promises that we made, for instance, to the people along the Southwest border, that we are going to have more Border Patrol agents, fencing, and other steps to enforce our borders against illegal immigration are going to be ashen, because we, by this action, have taken all the money that we have provided to finance those enhancements to our borders. It is, in part, for that reason, I suspect, that Senator FEINSTEIN, who has been such a leader in the efforts to protect our borders, is a cosponsor of this amendment.

Finally, I suggest, Mr. President, that this is a very clear back-door way to accomplish the same objective that this Senate on several occasions rejected when we were debating the immigration bill, and that is a sharp reduction on the rights of legal immigration into this country which we know is primarily the right to reunify families.

Why is this a back-door constraint on legal immigration and particularly family reunification? The reason is because we are making it so financially onerous for sponsors. We are raising the specter of their own impoverishment as a result of bringing a loved one, a child, a spouse, a parent into this country that we are going to effectively, through coercion, accomplish the same thing that this Senate, by direct action, refused to do, which was to make it more difficult for legal aliens to reunite with their families.

So, Mr. President, this amendment, this series of motions to strike will eliminate those sections of the legislation that relate to the eligibility of legal aliens to a variety of Federal benefits. I underscore that this is not to say that we are not going to restrain those benefits, but we would do so through the immigration bill that we have passed, a bill that had the considered judgment of this Senate as opposed to doing it through a welfare reform bill where this matter is getting virtually no consideration.

We are going to do it through the concept of deeming rather than the concept of a total prohibition. We are going to do it at a reasonable level of $5.6 billion which I personally think is, in itself, excessive, but pales in comparison to the $23 billion of reduction that is contained in this welfare bill.

AMENDMENT NO. 4921

(Purpose: To strike the provisions restricting welfare and public benefits for aliens)

Mr. GRAHAM. Mr. President, I send an amendment to the desk, and I ask unanimous consent that the time I have used thus far be counted against my time on the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The legislative clerk read as follows:

The Senator from Florida [Mr. GRAHAM], for himself, Mrs. FEINSTEIN, Mr. SIMON, Mrs. MURRAY and Mrs. BOXER, proposes an amendment numbered 4941.

Mr. SANTORUM. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Beginning on page 562 strike line 5 through the end of line 23 on page 567.

Beginning on page 567 strike line 14 through the end of page 582 line 2.

Beginning on page 585 line 13 strike all through the end of line 25 on page 587.

Mr. GRAHAM. Mr. President, I reserve the remainder of my time.

Mr. SANTORUM addressed the Chair.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SANTORUM. Mr. President, I think this is an area where there is just a disagreement in philosophy. I respect the Senator from Florida, and there probably is not a Member in this Chamber who knows more about the difficulty in dealing with a large number of legal immigrants in this country than the former Governor of Florida. But I think there is just a philosophical difference here, or a difference of what we believe is fair and equitable in this country.

What we are talking about is a particular class of legal immigrants. We are not talking about refugees, people who come to this country seeking refuge from persecution in their homeland. All refugees are excluded from the provisions of this bill. In other words, they are fully entitled to the array of social welfare benefits provided by the Federal Government.

Asylees, for example, the two Cuban baseball players—they are probably not going to need any social welfare benefits given their talent level, but if they were not so talented and were here in this country claiming political asylum, they would continue to be eligible for a variety of welfare benefits.

We are, in a sense, to my understanding, unique in that respect around the world. There are, to my knowledge, no other countries that do provide welfare benefits to legal immigrants and their noncitizens in their country. So, in a sense, we are keeping very much with the tradition of our country, with the Statue of Liberty when we suggest that those who are under persecution at home, that those who are in need of this country as a beacon of freedom are, in fact, provided for by this country. So I think that is something we should all agree on, be proud of and, obviously, continue, and we do that in this bill.

What we do not continue in this bill, and I think wisely do not continue, is to continue to provide benefits to what are called sponsored immigrants. Sponsored immigrants are immigrants who come to this country, and almost all come to this country through a family unification provision, which is to unify a family, whether it is a spouse or a child or a mother or a father or a sister or a brother. They come to this country to unify a family, and when they do so, the citizen of this country, who is the sponsor, signs a document. The document says that I will take financial responsibility for this person who I want to bring to this country for a period of 5 years, and that all of my assets are deemed available and in the possession, so to speak, constructive possession of the person coming into this country for purposes of evaluating whether that person is eligible for welfare or other Government benefits. That is current law.

But the problem with this whole agreement is it is not legally enforceable, and they are not enforced. In fact, one hand does not know what the other hand is doing. The welfare department has no idea what the immigration status is, and, in fact, these benefits are handed out without really much knowledge of the immigration status of the individual involved.

What we are seeing—and the Senator from New York and the Senator from New Mexico discussed this earlier today—is a trend. I say it is even more than a trend, it is an avalanche, and the avalanche is elderly family reunification, elderly being the bringing over of mom or dad to this country.

Mom or dad being 60 or 70 or 80 years of age, coming to this country, you know, the doting son signs the sponsor agreement. And lo and behold, mom, who is disabled, ends up on SSI. Or if you are elderly, because you qualify when you are over 65, you end up on SSI. The Federal Government and the taxpayers of this country become the retirement village supporters of the entire world.

I do not think that is what the intent of these provisions was for. I think we have seen a real pattern of abuse here of a document that is not legally enforceable, which is the sponsorship agreement, and a tremendous number of people coming over here and using the SSI system as, in fact, the retirement system for many people all across the world. So what we have said is that we do not want to continue to have this incentive.

We, as members of the Ways and Means Committee over in the other body, heard testimony on numerous occasions about how it was well known—and in fact it went throughout many refugee camps in Southeast Asia and other places; that was one of the items of testimony—about how this was this great system that America had, that you can get over here and you could array yourself in all these wonderful benefits.

People should come to this country because they want the benefits of our society, not the benefits of our welfare system. I think that is where we really

have to draw the line here. So I think we have held up our responsibility to the fabric of our society, which is to invite those who are in need to come here, and we will in fact help you get started.

But I think we have drawn the line saying, if you want to bring a member of your family over and you sign a document saying that you will take financial responsibility for them, live up to the document, provide for them. In fact, if you want—after 5 years, under current law, you are eligible for citizenship. If you apply for citizenship, you do what is necessary to prepare yourself for citizenship, and comply and apply and pass all your tests, you can, too, be eligible for the wide variety of welfare programs that we have in this country.

But, I mean, we talk in terms of people coming here for welfare. The fact is, the vast majority of people do not come here for welfare. They come here because America is the land of opportunity, and unfortunately what we have seen is because of the abuse in this area, it has caused a lot of some of the anti-immigrant feelings that are seen in many areas of the country and by many people in this country.

I think what we have a responsibility to do—I joined with Senator DEWINE and Senator ABRAHAM on this side of the aisle, I know Senator GRAHAM and others on the other side of the aisle, in not restricting the caps on immigration. I am proimmigration. I am the son of an immigrant. I am not one of these people who says, ''I'm in. OK. Close the door.'' I believe immigration is important to the future of this country.

But I believe if we have programs that are abused, if we have programs that in fact call into question the immigration policy in this country, that cast a broad shadow over immigration in general, we have a responsibility to the taxpayers, No. 1, but also to the sentiment of immigration in this country, No. 2, to clean up the mess, to put a better face on immigration, to show that we have our act together in providing immigration to those who truly are in need, but not to those who are abusing the system.

If we clean that up, I think we improve the image of immigration and there is less pressure on lowering those caps and doing other things that I think could be harmful with respect to the area of immigration and, I think, save the taxpayers a whole bundle of money in the process.

I think those are all very positive things that happen. That is one of the reasons that this provision that is in this bill is included in the Democrat substitute and has been included in, I think, all the House bills that have been considered.

I think it has very strong bipartisan support. While I think the Senator from Florida is well-intentioned and certainly is, I think, sensitive to the needs of the many thousands of immigrants who are in the State of Florida, I think we have taken a judicious swipe at this issue and have cut appropriately. I hope we will support the underlying bill and be in opposition to the amendment of the Senator from Florida. I reserve the remainder of my time.

Mr. GRAHAM. Will the Senator from Pennsylvania yield for a question?

Mr. SANTORUM. I will be happy to.

Mr. GRAHAM. Did the Senator from Pennsylvania state that these provisions that are not bars to eligibility only apply to those persons who come into the country with a sponsor who has assumed the financial obligation?

Mr. SANTORUM. I mean, I have not combed over the Finance Committee bill, but that has been my understanding all along.

Mr. GRAHAM. Will the Senator please turn to section 2402, which is one of the sections that my motion would strike?

Mr. SANTORUM. Can you tell me what page that is on?

Mr. GRAHAM. Page 234 on my copy, but at a different page—

Mr. SANTORUM. I have section 2402 before me.

Mr. GRAHAM. It states that:

> Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 2431) is not eligible for any specified Federal program (as defined in paragraph (3)).

So thus we then have to go to section 2431 to determine what the definition is of a ''qualified alien.'' Subparagraph (b) of that section says:

> For purposes of this chapter, the term ''qualified alien'' means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

Among other things—

> (2) an alien who is granted asylum under section 208 . . .
>
> (3) a refugee who is admitted to the United States under section 207 . . .
>
> (4) an alien who is paroled into the United States under section 212(d)(5) . . .

None of these people have a sponsor. If I have misread the language of this section, I will appreciate being corrected. But that is a very fundamental issue as to who is intended to be covered.

Mr. SANTORUM. What I think this provision says is they are eligible for a 5-year exemption under the law, and then they have to become citizens.

Mr. GRAHAM. The Senator said the only people this applied to were those who had a sponsor who could assume responsibility. I understood the Senator to say specifically, for instance, they did not apply to refugees who were admitted because they are fleeing legitimate persecution.

Mr. SANTORUM. Yes. The Senator is absolutely right. This is different than I understood the provision to be. The difference is—and the Senator is correct—that aliens, refugees, et cetera, are eligible for 5 years until they become eligible for citizenship, and then we expect them to become citizens or they will not be eligible in the future.

Mr. GRAHAM. Mr. President, I think this question precisely underscores why I have offered this series of strikes. We spent a week-plus on this floor in April and May debating a comprehensive immigration bill. We came to a studied judgment as to how, for whom, for what time period benefits for legal aliens should be constrained. We came to a judgment that said over the next 7 years the restraint should have a dollar figure of $5.6 billion.

Tonight we are debating a provision that purports to reduce the benefits of legal aliens by $23 billion, four times more than what we had purported to do just a few weeks ago. Yet there is not the opportunity for careful scrutiny and study. Therefore, fundamental misconceptions as to who this applies to are being presented on this legislation on which our colleagues are going to be asked to vote.

I think the prudent thing to do is to adopt the motions to strike that I have offered and let these issues be resolved in the conference committee which is now in place to settle the immigration bill and not attempt to do these things at now 11 o'clock at night on a bill that has received not a scintilla of the kind of analysis insofar as it relates to the impact on legal aliens as did that immigration bill.

That is the argument that I make in support of my motions to strike these provisions. This has very serious implications, not only to the individuals involved, but to the communities in which legal aliens elect to live.

As an example, in a study by Los Angeles County of what this will mean in terms of health care in that community, there are estimates that they have 93,000 legal immigrants who would lose their SSI benefits, making them automatically eligible for county funded general assistance. That would cost Los Angeles County $236 million a year in additional costs. I do not think we ought to be imposing an unfunded mandate of $236 million on the citizens of Los Angeles County in the cavalier manner that I suggest we are about to do.

We have a process. The conference committee focused on immigration with Senators and Members of the House who were selected because of their knowledge and background on that subject matter, several of whom have served on these important commissions on immigration. That is the form which these issues ought to be resolved, not in this welfare bill.

Mr. DODD. Will the Senator yield?

Mr. GRAHAM. I am happy to yield to the Senator.

Mr. DODD. Mr. President, it is awfully late here. Our colleague from Pennsylvania gets saddled with the responsibility of providing analysis for I do not know how many pages in the bill, and it is not easy, but I think our colleague from Florida, despite the late hour and the fact there are only a

handful of us here, is a classic example of offering insight that we probably were not aware of.

I hope those who understand this bill would look carefully at the suggestions our colleague has made, because, as I understood it, this is the kind of thing which none of us intended to be the case. We are talking about a category of people who come here legally, who fall into circumstances that all of us have agreed should not be denied benefits. There is no debate about that. I think we have resolved that.

I urge staff and others who might look at this, so that tomorrow when we are asked to vote on matters as we gather in the well, there will not be the benefit that those of us sitting here today will have had of the very careful analysis of the Senator from Florida. My hope is, and I say this so our friends from Pennsylvania and Delaware who are here, who have staff here to look at this, so tomorrow when our colleagues gather we will have an opportunity to pass judgment on this, and if it is as our colleague from Florida has suggested, we might adopt that amendment maybe by voice vote, go to conference, and try and resolve some of the matters.

They may take an opposite point of view, but I urge that thought be given to that. Most of our colleagues, if they have any sense at all, are fast asleep by this hour. I see that our Presiding Officer is a surgeon. He may make recommendations for all of us here. We all know what it is like when it comes time to vote. We come in, there are papers at the desk, we vote aye or we vote no, we do not have a chance to benefit from the exchanges that have occurred here.

I urge our staffs take a good look at this, and if the Senator from Florida is correct, I urge, in the spirit of bipartisanship, that we try and set that matter aside for conference so as not to unwittingly adopt some provisions that I think none of us would agree with.

Mr. SANTORUM. Mr. President, with all due respect to my friend and colleague from Connecticut, I am not too sure there is anything unwitting going on here. This was a provision that was in the Senate bill when it passed 87 to 12. It was in the conference report; it was in the original bill that was introduced. This provision has really been unchanged for quite some time and has been, as I said, not only included in the Republican bill, but the Senator from Connecticut himself stood up on the floor when the Senator from New Mexico and the Senator from New York said, ''What are you guys talking about? This provision on illegal immigrants, it is in our bill. You should not be talking about that.''

I think there has been very broad support of this issue. It saves a significant amount of money. It is $18 billion. Obviously, the Senator from Florida does not have any offset there to put us within our reconciliation target, so this puts us well beyond, well under our reconciliation target, No. 1.

No. 2, the Senator from Florida talks about the potential for an unfunded mandate. We have a CBO estimate here that there is no unfunded mandate here, including the provision in this bill that the bill does not provide an unfunded mandate. So we have no unfunded mandate with this provision included in the bill, No. 1.

No. 2, we lose $18 billion of a $50-some-odd-billion savings in this bill with this provision.

No. 3, it has been adopted on many occasions, included in both parties' bills, and we had a vote on it the last time we were here, and it was voted down.

I think to suggest that someone is being hoodwinked here or that there is some substantial question as to whether this is a legitimate way to reform the system, I do not think is borne out by the history of these provisions. I think these provisions have been tested. These provisions have had broad bipartisan support. I am hopeful tomorrow that broad bipartisan support will continue.

Mr. DODD. I will not dwell on this. I do not believe our colleague from Florida was on the floor when our colleague from New York, and the chairman, Senator DOMENICI, had a chart they raised and talked about legal aliens, the parents of citizens, who under the deeming process—

The PRESIDING OFFICER. Who yields time?

Mr. DODD. Mr. President, I ask unanimous consent I be able to proceed for 3 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DODD. As I understood it, those were the parents of citizens who would come in legally, and under the deeming process their children assumed, as my colleague from Pennsylvania properly described, the financial responsibility of those parents coming in. The exchange was that both the Democratic proposal and the underlying bill prohibit that kind of situation from persisting. I think we all agree on that.

Mr. SANTORUM. I suggest to the Senator from Connecticut that with the amendment of the Senator from Florida, that would not be; it would strike the provisions that eliminate that, that that situation could continue.

Mr. DODD. I understand that part of it. I think we would want to keep it. What I understood, this went beyond that, which I am not as knowledgeable as our colleague from Florida. In addition to that, you have refugees, asylees and others who would not necessarily fall into the category, or they did not have a sponsor and got here.

That is what he is trying to carve out. That is why I suggest staff get together. Maybe I misunderstood.

I yield to the Senator from Florida.

Mr. GRAHAM. Mr. President, to be clear, my argument is that this is a redundant and inappropriate piece of legislation to be considering the issue of the eligibility of legal aliens for Federal benefits. That is exactly what we did in the immigration bill.

We spent days on the floor and weeks in the appropriate committee considering the nuances of that legislation, including its impact on the communities, which would now have to carry the cost that previously had been a partnership between the States, the communities, and the Federal Government.

I am suggesting what we ought to do is let that process come to fruition. The House has passed an immigration bill. The Senate has passed the immigration bill. They are in conference. They have been in conference since mid-May. Let that forum decide what should be the benefits that the Federal Government would provide for legal aliens. Do not do it in this welfare bill.

I think the very fact that we are proposing to reduce those benefits by $23 billion, when just a few weeks ago we thought the appropriate level of reduction was $5.6 billion, ought to raise in our minds whether we really know what we are doing here.

The statement that this is not an unfunded mandate, how in the world is it not going to be an unfunded mandate when the Federal Government denies coverage to large groups of people and imposes that cost for the sick, the elderly, those who require special other assistance, is going to end up being a responsibility of States and local governments.

If I could use one example, the U.S. Government has entered into an agreement with the Cuban Government which sets up a process by which 20,000 Cubans each year will come into the United States. Most of them, when they come into the United States, come under the category of parolees. Currently, the Federal Government, which is the government that signed this agreement, is responsible for the financial cost of that group of new arrivals if they, for instance, become eligible for health care because they are indigent and they are in need of health care.

This is going to say that, for the first year, that group of people will not be eligible for any Federal assistance. Who is going to pick up those costs? Eighty percent plus of those people end up in Dade County, FL. I can tell you who is going to pick up the cost. Jackson Memorial Hospital and the other health care providers in the community are going to be paying for the costs, and it will become—in the classic definition of an unfunded mandate—an unfunded mandate to render services to a group of people who the Federal Government has determined shall enter the community without any Federal financial participation in paying those costs.

We dealt with that issue specifically in the immigration bill, and we did not reach that, I think, quite unjust result. This would reverse a decision that we have previously made.

So my argument, Mr. President, is a simple one—not that we should not

face the issue and try to accomplish some of the objectives the Senator from Pennsylvania strives to do; but we ought to do it in the proper form with the proper consideration and with the proper level of respect to the communities that are going to be most affected by the ultimate decisions we will make. I believe striking these provisions out of this bill, which then turns to the more appropriate forum of the immigration conference committee as the means by which we would reach ultimate judgment, is the appropriate policy. I hope the Senate will concur when we vote on this issue tomorrow.

Mr. ROTH. Mr. President, I would just like to point out that it is, of course, the Finance Committee that has jurisdiction over these programs. I point out that the provisions that are contained in the legislation before us were also contained in H.R. 4, as well as the Balanced Budget Act of last year. So this legislation has been acted upon in the Congress twice.

I further point out that the matter was considered in committee, and on that committee we have a number of members of the Judiciary Committee. On the Republican side, these provisions were supported.

So I do not think it can be said that this is a matter that just came up in the wee hours of this evening. It has been a matter carefully considered in committee, as well as on the Senate floor.

I also point out that much of these provisions, although not entirely in the same form, were included as part of the Democratic substitute.

So I think it is important that we bring this into the proper perspective. I want to point out that much of the savings that would come about through this legislation are through the changes that are being made in welfare programs for noncitizens. These people came into the United States on the basis that they would not become a public charge. S. 1956 requires noncitizens to live up to their end of the bargain by requiring them to work or depend on the support of their sponsors and not rely on the American taxpayers.

I yield the floor.

Mr. GRAHAM. Mr. President, I ask for the yeas and nays on the motion to strike.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 4922

(Purpose: To correct provisions relating to quality standards for child care)

Mr. DODD. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The bill clerk read as follows:

The Senator from Connecticut [Mr. DODD], for himself, Ms. SNOWE, Mr. KENNEDY, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL, Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, and Mr. LEAHY, proposes an amendment numbered 4922.

Mr. DODD. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

In the amendment made by section 2807, strike ''3'' and insert ''4''.

Mr. DODD. Mr. President, I offer this amendment on behalf of myself, Senator SNOWE, and others.

This deals with the child care section of the legislation. Let me just very briefly describe the amendment to my colleagues. The reconciliation bill reserves 3 percent of the child care funds to improve the quality and availability of child care. Using current law projections, Mr. President, this proposal would represent a reduction of approximately $400 million over 6 years for the quality and increased availability of child care, and buildings and accommodations for those children who will need it.

This amendment increases the funds reserved for quality from 3 percent to 4 percent, reducing the shortfall in funds to about $200 million over 6 years, about half of what the shortfall would be without this amendment.

I point out, Mr. President, that the House has adopted a similar provision of 4 percent, so we would be conforming with this legislation to what is already included in the House language.

Earlier in the day, Mr. President, I made a case for the importance of health and safety standards for our child care settings, and I pointed out that in recent studies of child care facilities in this country, only 1 in 7 day care centers received a rating of good quality care, with even fewer programs—8 percent—providing good quality care for infants and toddlers. In the same study, 40 percent of rooms serving infants and toddlers provided less than minimum quality care in the country.

I do not think I need to make the case here. I think we all agree and understand the implications of the legislation. There is unanimity here on the concept of moving adults from welfare to work. We all understand that many of these adults, of course, have children who are going to require child care of one kind or the other.

As I pointed out earlier in the day, of the 13 million people in this entire country who receive AFDC, 8.8 million of the 13 million are under the age of 18; 78 percent of the 8.8 million are under the age of 12; and 46 percent of the 8.8 million are under the age of 6. There are 4.1 million adults who collect AFDC. So as we take the 2 million adults, of the 4 million that this bill requires we put to work over the next 7 years, at least anyway, 78 percent of that 8.8 million, you can argue actually a higher number will require some form of child care setting—a significant amount. We are told the numbers will get larger in the coming years.

So we want to put adequate quality child care out there. We have made the case that for automobiles and pets we have standards. If you leave your pet someplace, certain standards have to be met. What we are trying to say here is, when it comes to our Nation's children, minimum standards should be met, and there should be some quality control.

We leave it to the States, Mr. President, to decide in specificity what those quality standards ought to be. We do not try to mandate here specific requirements, except in a broader context. So we are not violating the notion that States meet those standards. I point out, by the way, that this is language that we adopted—my colleague from Delaware will recall—going back to 1990, under the Bush administration, when Senator HATCH and I authored the Child Care Block Grant Program that was supported by the Bush administration and adopted here. We included quality and health and safety standards.

Earlier today, with the support of Senator COATS, Senator KASSEBAUM, Senator SNOWE, and others, we adopted the health and safety standards in the bill. This amendment offered by Senator SNOWE and I would raise from 3 percent to 4 percent an allocation for quality, and I hope that my colleagues will see fit to support this amendment. I think it improves the bill.

With that, I would not necessarily ask for a rollcall vote because I understand that it may be acceptable to the majority. If that is the case, I will not ask, obviously, for a rollcall vote.

Mr. ROTH. Mr. President, I say to the distinguished Senator from Connecticut that we are willing to agree to his amendment, and consequently a rollcall vote would not be necessary.

Mr. DODD. Mr. President, I deeply appreciate my colleagues' support for the amendment.

I yield the floor.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Connecticut.

The amendment (No. 4922) was agreed to.

Mr. DODD. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. ROTH. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DODD. Mr. President, there is also an amendment. The Senator from North Carolina, Senator FAIRCLOTH, had an amendment he was going to propose, and it has to do with child care and the question of whether or not child care workers could be considered in the work sections of this bill. There was some question as to whether or not we would clear that.

As I understand it, all the health and safety standards and quality would apply. If my colleague from Delaware would confirm that for me, we would be more than willing to accept that

amendment and move another amendment along.

Mr. ROTH. Yes. I do confirm that.

Mr. DODD. I would be more than happy to clear that amendment on our side. I do not know if the Senator has an amendment and he would like to offer it. If he does, we could remove one more amendment. I am sure Senator DOMENICI, who is sound asleep, would be grateful in the morning when he arrives to find out that we agreed to one more amendment.

Mr. ROTH. Actually, I had three more amendments.

Mr. DODD. Do not get carried away.

Mr. ROTH. Do you want more?

Mr. DODD. No.

[Laughter.]

Mr. ROTH. We had the two earlier agreements.

AMENDMENTS NUMBERED 4923 THROUGH 4925, EN BLOC

Mr. ROBB. Let me start over.

Mr. President, I have a unanimous-consent agreement to propound to dispose of three amendments which have been agreed to on both sides of the aisle. They include Senator FAIRCLOTH's amendment to clarify that a welfare recipient may provide child care services to satisfy the bill's work requirement; two, Senator COATS' amendment allowing welfare recipients to establish individual development accounts; and, third, Senator ABRAHAM's amendment modifying the illegitimacy ratio.

I ask unanimous consent that it be in order for me to offer these three amendments that I send to the desk, en bloc, that they be considered and agreed to, en bloc, and that the motions to table and the motions to reconsider be agreed to, en bloc, and that they appear in the RECORD as if considered individually.

Mr. DODD. Mr. President, reserving the right to object—I shall not object—the Senator from Delaware is correct. These amendments have been cleared on this side. We are pleased to have them accepted.

The PRESIDING OFFICER. The clerk will report the amendments by number.

The bill clerk read as follows:

The Senator from Delaware [Mr. ROTH] proposes amendments numbered 4923 through 4925, en bloc.

The PRESIDING OFFICER. The amendments are agreed to.

The amendments (Nos. 4923, 4924, and 4925, en bloc) were agreed to, as follows:

AMENDMENT NO. 4923

(Purpose: To encourage individuals to provide child care services)

On page 239, between lines 21 and 22, insert the following:

''(i) ENCOURAGEMENT TO PROVIDE CHILD CARE SERVICES.—An individual participating in a State community service program may be treated as being engaged in work under subsection (c) if such individual provides child care services to other individuals participating in the community service program in the manner, and for the period of time each week, determined appropriate by the State.

AMENDMENT NO. 4924

(Purpose: To provide for the establishment of individual development accounts)

On page 221, between lines 20 and 21, insert the following new subsection:

''(h) USE OF FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—

''(1) IN GENERAL.—A State operating a program funded under this part may use amounts received under a grant under section 403 to carry out a program to fund individual development accounts (as defined in paragraph (2)) established by individuals eligible for assistance under the State program under this part.

''(2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

''(A) ESTABLISHMENT.—Under a State program carried out under paragraph (1), an individual development account may be established by or on behalf of an individual eligible for assistance under the State program operated under this part for the purpose of enabling the individual to accumulate funds for a qualified purpose described in subparagraph (B).

''(B) QUALIFIED PURPOSE.—A qualified purpose described in this subparagraph is 1 or more of the following, as provided by the qualified entity providing assistance to the individual under this subsection:

''(i) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution.

''(ii) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due.

''(iii) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

''(C) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An individual may only contribute to an individual development account such amounts as are derived from earned income, as defined in section 911(d)(2) of the Internal Revenue Code of 1986.

''(D) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified purposes described in subparagraph (B).

''(3) REQUIREMENTS.—

''(A) IN GENERAL.—An individual development account established under this subsection shall be a trust created or organized in the United States and funded through periodic contributions by the establishing individual and matched by or through a qualified entity for a qualified purpose (as described in paragraph (2)(B).

''(B) QUALIFIED ENTITY.—For purposes of this subsection, the term 'qualified entity' means either—

''(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) a State or local government agency acting in cooperation with an organization described in clause (i).

''(4) NO REDUCTION IN BENEFITS.—Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.

''(5) DEFINITIONS.—For purposes of this subsection—

''(A) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

''(i) An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this subsection.

''(ii) An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this subsection.

''(B) POST-SECONDARY EDUCATIONAL EXPENSES.—The term 'post-secondary educational expenses' means—

''(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

''(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

''(C) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

''(D) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

''(E) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(F) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(G) QUALIFIED FIRST-TIME HOMEBUYER.—

''(i) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

''(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

''(H) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

''(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

''(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

''(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

''(I) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e) of such Code).

AMENDMENT NO. 4925

(Purpose: To establish an illegitimacy reduction bonus fund)

Beginning on page 202, line 20, strike ''a grant'' and all that follows through line 13 on page 203, and insert the following: ''an illegitimacy reduction bonus if—

''(i) the State demonstrates that the number of out-of-wedlock births that occurred in the State during the most recent 2-year period for which such information is available decreased as compared to the number of such births that occurred during the previous 2-year period; and

''(ii) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

''(B) PARTICIPATION IN ILLEGITIMACY BONUS.—A State that demonstrates a decrease under subparagraph (A)(i) shall be eligible for a grant under paragraph (5).

On page 203, line 19, strike ''(B)'' and insert ''(C)''.

On page 204, line 7, strike ''(C)'' and insert ''(D)''.

On page 204, lines 13 and 14, strike ''for fiscal year 1995'' and insert ''the preceding 2 fiscal years''.

On page 214, between lines 10 and 11, insert the following:

''(5) BONUS TO REWARD DECREASE IN ILLEGITIMACY.—

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State determined eligible under paragraph (2)(B) for each bonus year for which the State demonstrates a net decrease in out-of-wedlock births.

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a low illegitimacy State for a bonus year.

''(ii) TOP FIVE STATES.—With respect to States determined eligible under paragraph (2)(B) for a fiscal year, the Secretary shall determine which five of such States demonstrated the greatest decrease in out-of-wedlock births under such paragraph for the period involved. Each of such five States shall receive a grant of equal amount under this paragraph for such fiscal year but such amount shall not exceed $20,000,000 for any single State.

''(iii) LESS THAN FIVE STATES.—With respect to a fiscal year, if the Secretary determines that there are less than five States eligible under paragraph (2)(B) for a fiscal year, the grants under this paragraph shall be awarded to each such State in an equal amount but such amount shall not exceed $25,000,000 for any single State.

''(C) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003, such sums as are necessary for grants under this paragraph.

## MORNING BUSINESS

Mr. ROTH. Mr. President, I ask unanimous consent that there now be a period for the transaction of morning business with Senators permitted to speak for up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

## THOMAS R. BURKE

Mr. HATCH. Mr. President, I rise to today to speak a few words in remembrance of Thomas R. Burke, whose recent, tragic death at the young age of 57 has robbed America of one of its leading health care policymakers.

Many of us in this body remember Tom Burke for his outstanding work at the Department of Health and Human Services. Indeed, I first came to know Tom over a decade ago during the confirmation process for one of the great HHS Secretaries of all time, Dr. Otis Bowen. I quickly came to admire Tom's forthright style, which some may have called gruff. But everyone respected Tom for his vigor, honesty, and impact.

In the early 1980's, Tom served as the staff director of the Advisory Council on Social Security, chaired by Dr. Bowen. When Dr. Bowen joined the Reagan administration as Secretary of Health and Human Services in 1985, he made a wise decision and chose Tom Burke as Chief of Staff of the 110,000 employee department. This was a significant honor and great responsibility—and Tom didn't let Dr. Bowen down. He stood as ''Doc's'' top-most advocate, defender, and protector, until President Reagan left office.

While many remember Tom for the Medicare catastrophic legislation, which I will discuss in a moment, Tom must be remembered for his many, many other accomplishments at HHS, including initiatives to: Strengthen patient-outcomes and medical effectiveness research; launch a public awareness campaign against alcohol abuse; propose reforms in the medical liability system; and, undertake managerial changes to elevate the Indian Health Service and rejuvenate the Commissioned Corps of the Public Health Service.

Tom Burke worked diligently on behalf of our Nation's seniors in the area of catastrophic health insurance. While we know that this legislation proved to be controversial, there is one aspect of this issue about which there can be no disagreement: Tom Burke worked hard to accomplish what he thought was in the best interest of the American public.

Indeed, the record must reflect that the original Bowen-Burke proposal was a much, much more modest proposal than that which the Congress ultimately expanded, approved and repealed. I remember well the initial idea which Tom had such a large hand in bringing to the forefront of public debate. It was a small add-on to the amount seniors pay for Medicare, under $5 a month, in exchange for which seniors would have the peace of mind of knowing they had unlimited hospitalization coverage. Unfortunately, this was not the provision which became law.

Tom was widely recognized by his peers for these accomplishments, a fact recognized by the special awards he received from Secretary Bowen and Surgeon General C. Everett Koop.

Tom Burke had a long career in public service. In addition to his work at HHS, Tom was a member of the Green Berets and also became Director of Health Policy Analysis for the Assistant Secretary for Health Affairs at the Department of Defense. These two assignments served him well in his later Government service.

Mr. President, after Tom's untimely passing, a number of us who worked closely with him wanted to express our admiration of his service to the government and of his achievements in health care policy. At this time, I ask unanimous consent that the statements of two of this body's most distinguished health care leaders—now retired—Senator Dave Durenberger, and Senator George Mitchell, be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR DAVID DURENBERGER

Tom Burke will always be my friend. He represents all that is good in making public policy in Washington D.C. We made a lot of it in the 1980's, especially through the Medicare program. It was Republicans and Democrats, Senate and House.

Our most significant effort was Burke-Bowen or Bowen-Burke or whatever. Neither was elected to Congress, but HHS Secretary Otis Bowen and his Chief of Staff, Tom Burke, made us who were in Congress make sense out of Medicare. They insisted we protect every elderly and disabled American from financial catastrophy because of medical, long-term care, drug price or medigap premium expenses. They created a ''Secretary's Task Force'' to iron out all the varied views; they marched it through all the Committees and the finale—a conference committee in the LBJ. Room on the Senate side of the Capitol.

I was the most recent Republican chair of the Health Sub-Committee of Finance, just replaced by George Mitchell, so Tom treated me with just enough of the deference due my office. But not so much that I didn't know he believed strongly enough in what we were privileged enough to do for America and that he'd find a way to get it done even if we had some disagreements.

America misses the policy that legislation changed. Its repeal has cost billions. And we all miss Tom now that the Lord has repealed his lease on our lives. Our last joint effort—a year ago—was his initiative too. When I retired from the Senate he called and put me to work helping him convince his beloved Indian University that its Otis Bowen Health Policy Center could really impact Washington if it had a presence here. And of course he'd carry on a part of that presence. Doing all the policy reform work that was left undone during his time with Secretary Bowen.

STATEMENT OF SENATOR GEORGE MITCHELL

Tom was a very devoted public servant who I came to know during the policy debates over Medicare Catastrophes Health Insurance in the late 1980's. Tom believed in the need to help the elderly better cope with the complexities and shortcomings of health insurance. He helped design and promote a Medicare Catastrophic benefit, even when doing so made him unpopular with some members of his political party. He cared deeply for the Medicare program and wanted to improve it for all beneficiaries. Tom fought long and hard for the passage of Medicare Catastrophic, and then renewed his fight during the ultimate repeal of the legislation. He took the defeat particularly hard,

but refused to believe that he couldn't continue to serve the public by turning his attention and expertise as an economist to other public policy issues.

Tom brought a passion to public service. As Chief-of-Staff under Secretary Otis Bowen, he was fiercely loyal to the programs of the Department of Health and Human Services. Tom devoted each day to finding ways to improve upon the services provided to millions of Americans. He was especially concerned with the Medicaid program, and believed that the application of managed care principles could help the poorest of our society. His style was often gruff and ''take no prisoners,'' but his heart was always focused on the right place. His need to be popular fell second to his belief that through hard work he could make a difference to the people served by government.

Seeing the need to get more value from America's escalating health care expenditures, Tom firmly believed in the need for more and better information about what treatments and therapies work. He concurred with visionaries on the need for a significant investment in health services research to bring about more rationale and science-based medical care. He strongly supported my legislation on outcomes research and was a major force to help establish ''effectiveness research'' as a bona fide organizational responsibility of the Department.

I am sorry that we have lost such an unusually dedicated and forward thinking public servant. He put politics aside in order to accomplish goals he thought were in the best interest of the public. he was a man of great ideas, the will to make them reality, and a sense of humor that encased a heart dedicated to the American people.

Mr. HATCH. Mr. President, one of the things I remember fondly about Tom is that his measure of a man's judgment was often to look up and question, Is he a long-ball hitter? Judging Tom by his own measure, we all must conclude he could hit the home run ball.

More important than his many professional achievements, Tom Burke was a good family man. I want to take this opportunity to offer my condolences to his wife, Sharon; daughters, Rosemary, Heather, and Kerry; and, son, Brendan. Although the love of a husband and father can never be replaced, with God's help and strength, his family will make it through this trying time.

It seems to me that far too often in this institution we get so engrossed in partisan and policy battles that we forget that ultimately it is people that matter. In losing Tom Burke we have lost a good public servant and a good man. We will all miss him.

## TRIBUTE TO THE REVEREND DR. OTIS A. HERRING

Mr. BIDEN. Mr. President, with the death of the Reverend Dr. Otis A. Herring on Friday, July 12, the Wilmington, DE, community—and indeed a much larger community of family, friends and faith—suffered a loss we can not help mourn.

It is the loss of a husband and father, a son and brother, a grandfather and uncle, a nephew and cousin—a man who deeply loved and was deeply loved by his family

It is the loss of a inspiring preacher and inspired pastor who devoted 35 years of spiritual leadership of Wilmington's Union Baptist Church and the surrounding community.

It is the loss a morally engaged citizen who spoke fearlessly and worked tirelessly for the less fortunate among us; the loss of a man who created out of his own determined faith and the conscience of the community resources to serve the poor and the disadvantaged.

It is the loss of a friend and mentor, whose example made better people and a better community out of all of us.

But despite that catalog of loss we feel so keenly, Reverend Herring's death is not, in fact, an occasion fit only for grieving.

In the first place, if we can ever be sure that any man has attained the spiritual goal that is the promise of the faith many of us share, Otis Herring was beyond a doubt just such a man.

His memorial service was rightly called a ''Homegoing Celebration,'' for the most important thing about reverend Herring was that he believed. His whole life was an expression of that belief, and even as we sorrow for our loss, we must celebrate the final victory that he never for one moment doubted.

And we celebrate, too, with lasting gratitude, the living legacy of Otis Herring, a legacy that endures because he lived his faith with a steadfastness and a power that literally reshaped the community to which he was so devoted.

It is a legacy that lives in Union Baptist Community Services, a nonprofit organization that Reverend Herring founded and served for 22 years as executive director, and that counts among its neighborhood-designed programs a day-care center, anti-drug outreach, crisis assistance, mentoring and counseling for at-risk youth and families, housing for the disabled, tutoring and job training, a housing corporation, a neighborhood-improvement program, and a food closet.

It is a legacy that lives because Reverend Herring was a leader who called on us to come together as members of one community, a leader who made us not only see but feel our common bond and common obligation to one another as citizens and as children of God.

Reverend Herring's own exceptional citizenship earned wideranging respect and recognition. In addition to high honors from the State of Delaware and the city of Wilmington, he received tributes from numerous organizations and institutions, including the University of Delaware and Delaware State University, the Delaware Businessmen's Association and the Brandywine Professional Association, the News Journal newspaper and the Jefferson Awards, the National Conference of Christians and Jews, the Mental Health Association, the National Urban Coalition, and many fraternal and civic organizations.

The record of Otis Herring's achievements and contributions, and the list of awards and tributes recognizing them, is all the more extraordinary when we recall that he began to lose his eyesight when he was just a senior in high school, and that he was blind throughout his adult life.

Otis Herring was, in fact, a magnificent irony among us.

He lived in darkness, yet he illuminated the world around him; he was blind, yet he saw his way through life with a clarity both humbling and inspiring to the rest of us; he lost his sight, but he never lost his way, and he never failed to lead us to a higher ground.

As an editorial in Delaware's News Journal paper said, accurately and eloquently, of Reverend Herring, ''His vision of his role in the world was unimpaired.'' And to that I would add only that our vision of our role in the world is brighter, more challenging and more rewarding because of the way he lived his life among us.

In extending our sympathies to Reverend Herring's wife, Carol, to his son, Steven, to his mother, brother, sister, grandson, and loving extended family, we do indeed share their deep sadness and sense of loss.

But we also share their sure and certain faith that, long after the sadness of his death has passed, Otis Herring's life will stand as a triumph and as a neverending cause for celebration.

## THE REALITY BEHIND CANDIDATE BOB DOLE'S VOUCHER PROPOSAL

Mr. KENNEDY. Mr. President, Yesterday Candidate Bob Dole claimed to offer Americans an ''Education Consumer's Warranty.'' Today, we saw the reality behind the claim—a recycled plan called Opportunity Scholarships that gives opportunity to the few at the expense of the many.

Candidate Dole's $2.5 billion plan would pay $500 toward $1,000 vouchers for elementary school students and $750 toward $1,500 vouchers for high school students. States would have to match the Federal voucher.

Candidate Dole's new-found appreciation of the importance of education comes on the heels of a long and distressing anti-education record, including opposition to public school choice and grants for higher education.

Last year, as majority leader, Senator Dole voted to cut $25 billion from education programs that help 52 million students learn reading and math skills, that help teachers to teach, and that prevent violence and drug abuse in school. With strong leadership from President Clinton, Congress rejected those devastating Republican cuts.

Candidate Dole claims that his voucher plan is modeled after the G.I. Bill of Rights and other Federal programs that help students afford college. But in Congress, Bob Dole has a 3-decade-long record of opposition to Federal college aid. In 1965, as a member of the House of Representatives, he voted against the creation of the first

Federal student loan program. Twice in the 1980s, he voted to cut Pell Grants, which he now endorses.

He claims that under his voucher plan, students will be able to go to the private school of their choice. But private schools can decide whether to accept a child or not. The real choice is made by the schools, not parents. The more exclusive the school, the more students will be excluded.

Scarce Federal dollars should not go to schools that can exclude children they do not want. Public schools are already starved for funds. The Dole voucher scheme will inevitably make their plight much worse. We do not have to destroy the public schools in order to save them.

President Clinton and Democrats support true choice—public school choice—where every child has an equal opportunity to go to the school of their choice within the public school system.

President Clinton has been and is a leader in the movement for public school choice, which is supported by a vast majority of Americans. In this year's State of the Union Address, President Clinton said, ''I challenge every State to give all parents the right to choose which public school children will attend.''

Candidate Dole has it wrong. Education is a national priority that requires public effort and commitment to benefit the entire population, not just the few.

## THE VERY BAD DEBT BOXSCORE

Mr. HELMS. Mr. President, at the close of business yesterday, Wednesday, July 17, the Federal debt stood at $5,162,069,897,551.43.

On a per capita basis, every man, woman, and child in America owes $19,456.14 as his or her share of that debt.

## REDUCE THE DEFICIT WHILE PROTECTING OUR NATIONAL SECURITY: ELIMINATE WASTEFUL MILITARY SPENDING NOT REQUESTED BY THE PENTAGON

Mr. WELLSTONE. Mr. President, today I rise in opposition to the FY 1997 Defense Appropriation bill. Once again Senate Republicans have sought to include over $10 billion extra dollars on military projects not requested by the President, the Secretary of Defense, and the Chairman of the Joint Chiefs of Staff. Quite frankly, it is fiscally irresponsible to spend more than is needed on wasteful military programs at a time when many domestic programs are being reduced substantially in order to balance the budget.

At the request of the Republican leadership, the Appropriations Committee has authorized $10.1 billion more than was requested. That's right. The majority wants to spend $10.1 billion more than the Pentagon has requested, or than they have indicated they will be able to responsibly use, next year. Much of that figure was not even included in the Pentagon's 5-year plan, or on so-called wish lists that were solicited by congressional defense committees. The Pentagon has said clearly: They don't need these funds now, the projects are not in their 5-year plan, and they're not even on their wish lists.

Mr. President, there is no question that there is waste in the Pentagon. In fact, about a year ago, the Pentagon's own spending watchdog, its Comptroller General John Hamre, conceded that DOD could not account for over $13 billion in spending. It's just been lost in the ocean of paperwork at the Pentagon, and likely won't ever be sorted out. In fact, the Comptroller has all but given up on trying to find out what happened to most of the money, arguing it would be more expensive than it would be worth to account for these funds. It is particularly outrageous that the Appropriations Committee has proposed these hefty increases at the same time that the Defense Department is being called to task for not being able to account for billions of dollars in its own spending.

Waste, possible fraud in Pentagon spending, certainly egregious abuses of basic accounting rules—this is a serious problem, and no one seems to be doing very much about it. Indeed, instead of vigorously overseeing spending in this budget, we are trying to foist off on the Pentagon an extra $10.1 billion in military hardware, new weapons systems, planes and ships, and other spending they have not even requested so that certain Senators can protect jobs in their States that depend on continued high levels of defense spending.

If we pass this bill, my Minnesota constituents will continue to pay their taxes to bolster the treasuries of bloated defense contractors, who are building ships and planes and weapons systems that we don't need, and can't use, and that won't make our Nation any more secure. So that there is no mistake, let me repeat that for those who are listening. We are considering today a defense spending bill that spends a full $10.1 billion more than the President requested in his budget. We are doing this despite the fact that there is no sudden, extraordinary threat to justify such an increase. And many of those in this body who are pressing for such a huge increase are precisely the same people who are out here on this floor, day after day, week after week, month after month, howling about how we simply must get the deficit under control.

They are doing this while at the same time larding defense bills with billions in spending for their local shipyard, or weapons contractor, or plane manufacturer. Have we no shame, Mr. President? Is there no sense of limits in this body when it comes to wasteful and unnecessary weapons programs? Now, controlling the deficit is important, and I have supported responsible, fairminded deficit reduction proposals totaling hundreds of billions of dollars. We heard yesterday that the deficit has dropped from about $290 billion to an estimated $117 billion this year, due largely to the President's fiscal policies. And now we again are faced with outrageous overspending on military programs that are not even supported by the Pentagon.

For the past couple of years, we've heard from many of our Republican colleagues who have sought to look like they were reducing the Federal deficit through various schemes and non-specific formulas. And even when they have offered something specific, they tend to first go after funding for education, Medicare and Medicaid; programs for those who cannot help themselves; programs which protect our air, lakes and rivers, and on and on.

While I have serious concerns even about some of the President's underlying defense spending assumptions which require, for example, fighting two major regional conflicts at one time without help from our allies, at least his budget focuses on research and development, maintaining a high level of readiness, and improving the quality of life of our Armed Forces. We can meet our defense needs fully and responsibly. My question is, Why aren't we applying the same standards to wasteful military spending that are being applied to domestic programs that millions of average Americans rely on?

There are three arguments that I want to make to counter Republican assertions that the President's defense request is too low. First, the appropriations bill provides more to defense, in dollar terms, than last year. This is in stark contrast to the fact that non-defense discretionary spending as a whole is frozen or declining precipitously in many areas.

Second, Republicans are claiming that defense spending in the bill declines in real terms and as such their budget recommendation is actually a cut from last year. Think about that argument—defense spending is declining in real terms. Now contrast it with the Republican arguments as they seek to dismantle domestic spending programs. Do they ever seek to portray their domestic cuts in real terms? Or do they consistently recite that they are spending the same or more in the current year than they did last year. They can't have it both ways. Pick one methodology and stick with it, I say.

Third, the administration estimates that due to lower inflation estimates over the next few years, we can buy as much for our defense dollar as we had planned, but spend about $46 billion less for it than was requested last year. By this calculation, the President's budget request actually represents a long-term increase over last year's defense program.

The bottom line is this: The President's defense budget maintains a strong defense, no matter how the Republicans choose to craft their argument. It takes into account all of our

current and future defense needs, and makes tough choices. Adding billions in additional pork barrel spending is unnecessary, wasteful, and wrong.

Even if one acknowledges that defense spending has decreased by some measures since the mid-1980's, and that the administration's request continues that trend, it must be placed into context. That is, much has changed since the end of the cold war. And our country's priorities must change accordingly—we must maintain a strong defense, but accommodate increasing concerns for better education, health care, crime prevention, economy and the environment.

Maintain a strong defense, but do it by increasing burden-sharing by our allies, imposing cost and accountability controls called for by GAO, eliminating unnecessary weapons programs. We must also re-assess the fundamental assumptions which continue to drive continued high defense spending, like the requirement that we be able to fight two major wars at once, without the help or support of our allies.

We already spend vastly more on the military than all our potential major enemies combined—40 percent of the world's total military budget. Along with our allies, we spend about $510 billion on defense of our interests worldwide. All our major potential enemies combined spend about $140 billion per year.

The billions spent on star wars, the *Trident*, the B–2 bomber, and the 600-ship Navy are but a few of the reasons why our deficit rose so dramatically during the 1980's. This administration however, has sought to maintain a strong defense while addressing critical domestic needs and reducing the deficit as well. But while the President has made tough choices, the Republicans have refused to stare down military contractors clamoring for even more than the Pentagon has said it needs. If Members are so concerned about a looming procurement problem, then maybe we ought to make some tough decisions about the size of our military forces, and their dispersion around the world, and scale back here. Instead, we are bolstering funding on fantastically expensive weapons programs, while we underfund key peacekeeping programs and the dual-use applications program that will benefit U.S. industry.

I recognize that there are still real dangers out there for which we must prepare, including nuclear proliferation and terrorism. The need to combat weapons proliferation to rogue states poses new problems for the United States, and must be addressed forcefully and directly. But we can do that now. We have the largest and strongest military in the world, and there is nothing in the administration's request that does anything to diminish that fact. To the contrary, the administration's budget improves an already strong defense establishment.

So why do the Republicans persist in adding to the Pentagon's request? Do they perceive some previously unidentified emerging threat that the intelligence or national security community has disregarded? No. I think at its worst it is simply their desire to pour billions more dollars into spending for large weapons programs, ships, fighters and the like built in the States of defense committee members. At best it is a misplaced desire to save jobs. Mr. President, we cannot afford these kinds of pet projects.

How should we reduce wasteful military spending? I'll start with what arguably must be the most difficult problem to attack—the Pentagon bureaucracy. Several of my colleagues have recently railed against the Department of Energy, the Departments of Education, Commerce and others—but I hear a deafening silence on their part when it comes to the Department of Defense, the largest and most wasteful bureaucracy in the world. The same tough accountability standards should be applied to all Federal agencies, if we are to root out waste, abuse, and program duplication.

Let me give a few examples of the size and scope of the defense waste we're talking about. The General Accounting Office, in a 1995 report on the Defense travel process, concluded that the Pentagon could save hundreds of millions of dollars in travel processing costs simply by following the examples of leading companies. This 1995 study identified a myriad of travel agents, voucher processing centers, and over 1,300 pages of regulations. DOD reported $3.5 billion in expenditures for travel and perhaps as much as $1.0 billion more in processing costs. Clearly, efforts to reform and streamline this process, and bring it into control, is urgently needed.

I've already discussed the billions lost due to inadequate Pentagon accounting, so I won't rehash that here. But let's take a look at over $3.0 billion extra of procurement add-ons that were not even included in the Pentagon's 5-year plan. These items include procurement of four additional F–16 fighters for the Air Force at a cost of over $107 million. These were not even on the Air Force wish list.

The Army gets an additional $120 million to purchase 12 more UH–60 Blackhawk helicopters than the Pentagon asked for. In true share-the-wealth tradition, the Navy receives an astounding $489 million in additional funding for the F/A–18C/D Hornet. The list goes on and on.

The additional construction funds provided for the new attack submarine comes at a time when we're already building the *Seawolf*, after fierce fights by its opponents over the wisdom of building more of these. Why then, are we financing an additional $700 million for advance procurement of the new attack submarine, which is less capable than the *Seawolf* and only slightly less expensive? To top it off, as directed under the Defense authorization bill, the purchase has preempted any pretense of competition between shipyards by directing these submarines be built in both Connecticut and Virginia.

At the same time that advance and unnecessary procurement costs are added, the bill seeks to reduce by $150 million funding for the Dual-Use Applications Program that supports development of technologies that can be applied to both commercial and defense systems, thereby reducing the cost of defense systems. Full funding of this initiative would have moved the Nation in the right direction as we seek to reduce Government spending and reliance on single source industries.

Make no mistake: the post-cold-war defense budget is becoming less and less focused on our real national security needs, and more and more on the needs of particular members of Congress to sustain jobs in their home States. American taxpayers are paying for costly, obsolete, fantastically expensive cold-war-era weapons systems that are no longer justifiable, basically to help preserve the political health of certain Members of Congress. That is the sad, unvarnished truth. Many of the weapons systems we are still paying for were initiated during the 1980's defense build-up, and have little or no relation to the changed strategic situation we now face in the post cold-war-era. And yet we continue to fund them, terrified that scaling this spending back modestly will cost jobs in our States. This, despite the fact that under the authorization bill we accepted a proposal by Senator LIEBERMAN that calls for a new study to determine the threat as we enter the 21st century. This study will go a long way to determining the weapons systems we will need to address the threat. I'll bet many of the weapons systems we are providing advanced funding for will be deemed obsolete as the results of the study are released.

I believe that at a time when we are slashing budgets for hundreds of social programs that protect the vulnerable; protect our lakes and streams; provide health care for the vulnerable elderly, and create expanded opportunities for the broad middle class—such as student loans and job retraining—it is wrong to provide vastly more military spending than the Secretary of Defense and Joint Chiefs of Staff have requested. We have dramatically reduced or frozen funding for many other non-defense programs, and yet we're pouring even more dollars than the Department of Defense can use into expensive weapons systems.

In defense, as elsewhere in the Federal budget, there are responsible ways to eliminate wasteful and unnecessary spending; by cutting obsolete cold war weapons systems, imposing money-saving reforms within the bureaucracy, and streamlining procurement policy to make the system more efficient and more cost-effective. Over and over, in recent months, I have offered or cosponsored amendments to address this problem. These attempts have either

been voted down here on the Senate floor, or the bills to accomplish these ends have been bottled up in committee.

In the end, there is little Pentagon streamlining, little elimination of waste provided for in this bill. Instead, when faced with difficult choices between competing weapons systems, basic housing improvements for our troops, and other readiness requirements, the committee decided simply to appropriate funds to buy all of the big weapons systems, ships, and planes that $10.1 billion could buy, larding the bill with special interest funding for defense contractors, and accelerating purchases not scheduled to be made for many years, if at all.

I believe this bill in its current form spends vastly more on defense than we can afford. The Joint Chiefs and the President agree with me. At a time when we are asked to spend billions less on education, health care, our children and our elderly, I urge my colleagues to vote against these huge and unwarranted increases in defense spending. If it passes, as I'm sure it will, I hope the President will veto it, and then require Congress to come to the negotiating table to more fairly distribute the burden of deficit reduction, eliminating defense pork while preserving our national security.

## CENTENNIAL OLYMPIC GAMES

Mr. CAMPBELL. Mr. President. I take this opportunity to join my colleagues in recognizing the 1996 Centennial Olympic games to be held in Atlanta beginning Friday, July 19, and running through August 4.

The modern Olympics have seen a century of athletes from countries around the world coming together in the original spirit of the games—''international understanding and peace through sports.'' In 1896, Athens hosted the first modern Olympics, with 13 nations sending 311 athletes. The opening event was the triple jump, which was won by an American, James B. Connolly, after he arrived in Greece only 12 hours before the start. This young athlete led America to win the first title at an Olympic games in more than 1,500 years, when the ancient Greeks last awarded Olympic medals in 393 A.D.

The 1996 Olympic games is expected to be the largest and most widely attended in history. With 197 delegations being represented by almost 11,000 athletes, this games is 40 percent larger than the 1992 Olympics in competitors alone. Over 1,900 medals will be awarded during 271 events in 26 different sports. It is estimated that the between 1991 and 1997 the build-up to the games and the event itself will pump over $5 billion into the economy.

The Olympics hold a special place in my heart, as I was fortunate enough to represent our country in the 1964 games as captain of the U.S. judo team, a sport offered for the first time that year. Although I suffered injuries throughout the course of the games, it was an honor to carry the U.S. flag during the games' closing ceremonies. I am thrilled to know that my teammate from the 1964 games and fellow Coloradan, Al Oerter, will be carrying the Olympic flame into the stadium during the opening ceremonies in Atlanta. Al is the only American ever to win gold medals in four consecutive Olympics in the discus. He competing in 1956, 1960, 1964, and 1968.

There is no question that making a serious commitment to a sport at a young age gave my life purpose, channeled my energies, and taught me self-discipline. I was lucky to have had great coaches and mentors to nurture my love of judo and help me achieve my Olympic goals. For all of the athletes who strive to heights worthy of Olympic stature, I commend you. I urge all of you to represent our country with dignity and respect, and the sportsmanship that has brought you to Atlanta.

In particular, I would like to name for the RECORD the athletes representing Colorado. These are a varied group, with unique talents and skills. I join with all Coloradans in saying how proud we are of you.

Mark Coogan, Boulder, marathon; Anthony Washington, Aurora, discus; Rich Weiss, Steamboat Springs, slalom men's kayak; Susan DeMattei, Gunnison, mountain bike; Alison Dunlap, Colorado Springs, women's road race; Juli Furtado, Durango, mountain biking; Jeanne Golay, Glenwood Springs, women's road race.

Ned Overend, Durango, mountain biking; Elaine Cheris, Denver, women's fencing; Rebecca Snyder, Grand Junction, women's air pistol; Eric Uptagraff, Lake Wood, prone rifle; Amy Van Dyken, Highlands Ranch, 50m, 100m free, 100m fly, 400m relay in swimming; Laura Coenen, Peyton, team handball; and Mujaahid Maynard, Denver Greco-Roman wrestling.

I would also like to offer my sincere congratulations to Mr. Todd Riech of Montana. Todd is the only Native American representing the United States in the 1996 games. After overcoming potentially career-threatening injuries, he won his qualifying event for the javelin. Todd is setting an example of perseverance and commitment for all young Native Americans to follow. He is already a winner.

I wish all the best of these and the other athletes representing us at these centennial summer games.

## MESSAGES FROM THE HOUSE

At 9:38 am., a message from the House of Representatives, delivered by Mr. Hayes, one of its reading clerks, announced that the House insists upon its amendment to the bill (S. 1316) to reauthorize and amend title XIV of the Public Health Service Act, commonly known as the ''Safe Drinking Water Act'', and for other purposes, and asks a conference with the Senate on the disagreeing votes of the two Houses thereon; and appoints the following Members as the managers of the conference on the part of the House:

*Resolved*, That the House insist upon its amendment to the bill (S. 1316) entitled ''An Act to authorize and amend title XIV of the Public Health Service Act (commonly known as the ''Safe Drinking Water Act''), and for other purposes,'' and ask a conference with the Senate on the disagreement votes of the two Houses thereon.

*Ordered*, That the following Members be the managers of the conference on the part of the House:

From the Committee on Commerce, for consideration of the Senate bill (except for sections 28(a) and 28(e)) and the House amendment (except for title V), and modifications committed to conference: Mr. Bliley, Mr. Bilirakis, Mr. Crapo, Mr. Bilbray, Mr. Dingell, Mr. Waxman, and Mr. Stupak.

From the Committee on Commerce, for consideration of sections 28(a) and 28(e) of the Senate bill, and modifications committed to conference: Mr. Bliley, Mr. Bilirakis, and Mr. Dingell.

As additional conferees from the Committee on Science, for consideration of that portion of section 3 that adds a new section 1478 and sections 23, 25(f), and 28(f) of the Senate bill, and that portion of section 308 that adds a new section 1452(n) and section 402 and title VI of the House amendment, and modifications committed to conference: Mr Walker, Mr. Rohrabacher, and Mr. Roemer.

As additional conferees from the Committee on Transportation and Infrastructure, for the consideration of that portion of section 3 that adds a new section 1471(c) and sections 9, 17, 22(d), 25(a), 25(g), 28(a), 28(e), 28(h), and 28(i) of the Senate bill, and title V of the House amendment and modifications committed to conference: Mr. Shuster, Mr. Boehlert, Mr. Wamp, Mr. Borski, and Mr. Menendez: *Provided*, That Mr. Blute is appointed in lieu of Mr. Wamp for consideration of title V of the House amendment.

At 11:18 am., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 3161. An act to authorize the extension of nondiscriminatory treatment (most-favored-nation treatment to the products of Romania.

H.R. 3166. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter.

H.R. 3756. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter.

The message also announced that the House disagrees to the amendments of the Senate to the bill (H.R. 3230) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, to prescribe military personnel strengths for fiscal year 1997, and for other purposes, and agrees to the conference asked by the Senate on the disagreeing votes of the two House thereon; and appoints the following Members as the managers of the conference on the part of the House:

From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Mr. Spence, Mr. Stump, Mr. Hunter, Mr. Kasich, Mr. Bateman, Mr. Hansen, Mr. Weldon of Pennsylvania, Mr. Hefley, Mr. Saxton, Mr.

Cunningham, Mr. Buyer, Mr. Torkildsen, Mrs. Fowler, Mr. McHugh, Mr. Talent, Mr. Watts of Oklahoma, Mr. Hostettler, Mr. Chambliss, Mr. Hilleary, Mr. Hastings of Washington, Mr. Dellums, Mr. Montgomery, Mrs. Schroeder, Mr. Skelton, Mr. Sisisky, Mr. Spratt, Mr. Ortiz, Mr. Pickett, Mr. Evans, Mr. Tanner, Mr. Browder, Mr. Taylor of Mississippi, Mr. Tejeda, Mr. McHale, Mr. Kennedy of Rhode Island, and Ms. DeLauro.

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 2 of rule XLVIII: Mr. Combest, Mr. Lewis of California, and Mr. Dicks.

As additional conferees from the Committee on Banking and Financial Services, for consideration of sections 1085 and 1089 of the Senate amendment, and modifications committed to conference: Mr. Castle, Mr. Bachus, and Mr. Gonzalez.

As additional conferees from the Committee on Commerce, for consideration of sections 601, 741, 742, 2863, 3154, and 3402 of the House bill, and sections 345–347, 561, 562, 601, 724, 1080, 2827, 3175, and 3181–3191 of the Senate amendment, and modifications committed to conference: Mr. Bliley, Mr. Bilirakis, and Mr. Dingell: *Provided,* That Mr. Richardson is appointed in lieu of Mr. Dingell and Mr. Schaefer is appointed in lieu of Mr. Bilirakis for consideration of sections 3181–3191 of the Senate amendment: *Provided further,* That Mr. Oxley is appointed in lieu of Mr. Bilirakis for the consideration of section 3154 of the House bill, and sections 345–347 and 3175 of the Senate amendment: *Provided further,* That Mr. Schaefer is appointed in lieu of Mr. Bilirakis for the consideration of sections 2863 and 3402 of the House bill, and section 2827 of the Senate amendment.

As additional conferees from the Committee on Economic and Educational Opportunities, for consideration of sections 572, 1086, and 1122 of the Senate amendment, and modifications committed to conference: Mr. Goodling, Mr. McKeon, and Mr. Clay.

As additional conferees from the Committee on Government Reform and Oversight, for consideration of sections 332–336, 362, 366, 807, 821–825, 1047, 3523–3539, 3542, and 3548 of the House bill, and sections 636, 809(b), 921, 924–925, 1081, 1082, 1101, 1102, 1104, 1105, 1109–1134, 1401–1434, and 2826 of the Senate amendment, and modifications committed to conference: Mr. Clinger, Mr. Mica, and Mrs. Collins of Illinois: *Provided,* That Mr. Horn is appointed in lieu of Mr. Mica for consideration of sections 362, 366, 807, and 821–825 of the House bill, and sections 809(b), 1081, 1401–1434, and 2826 of the Senate amendment: *Provided further,* That Mr. Zeliff is appointed in lieu of Mr. Mica for consideration of section 1082 of the Senate amendment.

As additional conferees from the Committee on International Relations, for consideration of sections 223–234, 237, 1041, 1043, 1052, 1101–1105, 1301, 1307, 1501–1553 of the House bill, sections 234, 1005, 1021, 1031, 1041–1043, 1045, 1323, 1332–1335, 1337, 1341–1344, and 1352–1354 of the Senate amendment, and modifications committed to conference: Mr. Gilman, Mr. Bereuter, and Mr. Hamilton.

As additional conferees from the Committee on the Judiciary, for consideration of sections 537, 543, 1066, 1080, 1088, 1201–1216, and 1313 of the Senate amendment, and modifications committed to conference: Mr. Hyde, Mr. McCollum, and Mr. Conyers: *Provided,* That Mr. Moorhead is appointed in lieu of Mr. McCollum for consideration of sections 537 and 1080 of the Senate amendment: *Provided further,* That Mr. Smith of Texas is appointed in lieu of Mr. McCollum for consideration of sections 1066 and 1201–1216 of the Senate amendment.

As additional conferees from the Committee on Resources, for consideration of sections 247, 601, 2821, 1401–1414, 2901–2913, and 2921–2931 of the House bill, and sections 251–252, 351, 601, 1074, 2821, 2836, and 2837 of the Senate amendment, and modifications committed to conference: Mr. Hansen, Mr. Saxton, and Mr. Miller of California.

As additional conferees from the Committee on Science, for consideration of sections 203, 211, 245, and 247 of the House bill, and sections 211 and 251–252 of the Senate amendment, and modifications committed to conference: Mr. Walker, Mr. Sensenbrenner, and Ms. Harman.

As additional conferees from the Committee on Transportation and Infrastructure, for consideration of sections 324, 327, 501, and 601 of the House bill, and sections 345–348, 536, 601, 641, 1004, 1009–1010, 1311, 1314, and 3162 of the Senate amendment, and modifications committed to conference: Mr. Shuster, Mr. Coble, and Mr. Barcia.

As additional conferees from the Committee on Veterans' Affairs, for consideration of sections 556, 638, and 2821 of the House bill, and sections 538 and 2828 of the Senate amendment, and modifications committed to conference: Mr. Stump, Mr. Smith of New Jersey, and Mr. Montgomery.

As additional conferees from the Committee on Ways and Means, for consideration of sections 905, 1041(c)(2), 1550(a)(2), and 3313 of the House bill, and sections 1045(c)(2), 1214, and 1323 of the Senate amendment, and modifications committed to conference: Mr. Crane, Mr. Thomas, and Mr. Gibbons.

## ENROLLED BILLS SIGNED

At 5:52 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the Speaker has signed the following enrolled bills:

H.R. 743. An act to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes.

S. 966. An act for the relief of Nathan C. Vance, and for other purposes.

S. 1899. An act entitled the ''Mollie Beattie Alaska Wilderness Area Act''.

The enrolled bills were signed subsequently by the President pro tempore [Mr. THURMOND].

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At 6:01 p.m., a message from the House of Representatives, delivered by Ms. Goetz, one of its reading clerks, announced that the House agrees to the amendment of the Senate to the bill (H.R. 743) to amend the National Labor Relations Act to allow labor management cooperative efforts that improve economic competitiveness in the United States to continue to thrive, and for other purposes.

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At 8:35 a.m., a message from the House of Representatives, delivered by Mr. Hays, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3734. An act to provide for reconciliation pursuant to section (a)(1) of the concurrent resolution on the budget for fiscal year 1997.

The message also announced that pursuant to provisions of section 491 of the Higher Education Act, as amended by section 407 of Public Law 99–498, the Speaker appoints the following as members from private life on the part of the House to the Advisory Committee on Student Financial Assistance: Mr. Thomas E. Dillion of California, and Mr. William A. Irwin of Pennsylvania.

The message further announced that pursuant to clause 6 of rule 10, the Speaker announces the following modification to the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3230) to authorize appropriations for fiscal year 1997 for military activities of the Department of Defense, for military construction, and for defense activities of the Department of Energy, to prescribe personnel strengths for such fiscal year for the Armed Forces, and for other purposes:

Delete section 724 of the Senate amendment from the panel appointed from the Committee on Commerce.

The panel from the Committee on Commerce, consisting of Mr. BLILEY, Mr. OXLEY, and Mr. DINGELL, is also appointed for the consideration of section 3174 of the Senate amendment, and modifications committed to conference.

The panel from the Committee on Science is also appointed for the consideration of section 1044 of the Senate amendment, and modifications committed to conference.

## MEASURES REFERRED

The following bills were read the first and second times by unanimous consent and referred as indicated:

H.R. 3166. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter; to the Committee on the Judiciary.

H.R. 3756. An act to amend title 18, United States Code, with respect to the crime of false statement in a Government matter, to the Committee on Appropriations.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–3426. A communication from the Administrator, Food and Consumer Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Removal of the 'Cheese Alternate Products' specifications from the National School Lunch Program,'' (RIN0584-AC04) received on July 16, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3427. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Karnal Bunt,'' received on July 16, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3428. A communication from the Congressional Review Coordinator, Animal and Plant Health Inspection Service, Department of Agriculture, transmitting, pursuant to

law, the report of a rule entitled ''Goats Imported From Mexico for Immediate Slaughter,'' received on July 15, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3429. A communication from the Administrator, Agricultural Marketing Service, Department of Agriculture, transmitting, pursuant to law, the report of a rule entitled ''Raisins Produced From Grapes Grown in California,'' received on July 15, 1996; to the Committee on Agriculture, Nutrition, and Forestry.

EC–3430. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the notice of a Presidential Determination relative to the assistance for Bosnia and Herzegovina; to the Committee on Appropriations.

EC–3431. A communication from the Acting Assistant Secretary, Legislative Affairs, Department of State, transmitting, pursuant to law, the notice of the intention to obligate funds in fiscal year 1996; to the Committee on Appropriations.

EC–3432. A communication from the Acting Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, a report on changes and progress in the operations involving regulatory resources for the Office; to the Committee on Banking, Housing, and Urban Affairs.

EC–3433. A communication from the Assistant Chief Counsel of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, the rule entitled ''Review of OTS Decisions,'' received on July 15, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3434. A communication from the Chairman of the Federal Financial Institutions Examination Council, transmitting, pursuant to law, the report on the use of consistent financial terminology; to the Committee on Banking, Housing, and Urban Affairs.

EC–3435. A communication from the Secretary of the U.S. Securities and Exchange Commission, transmitting, pursuant to law, a rule concerning the uniform broker-dealer registration form; to the Committee on Banking, Housing, and Urban Affairs.

EC–3436. A communication from the Chief Counsel of the Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, a rule concerning the Iraqi Sanctions Regulations, received on July 11, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3437. A communication from the Chief Counsel of the Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, a rule concerning the Cuban Assets Control Regulations, received on July 15, 1996; to the Committee on Banking, Housing, and Urban Affairs.

EC–3438. A communication from the Acting Director of the Office of Thrift Supervision, Department of the Treasury, transmitting, pursuant to law, a report on enforcement actions and initiatives; to the Committee on Banking, Housing, and Urban Affairs.

EC–3439. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report relative to importing noncomplying motor vehicles; to the Committee on Commerce, Science, and Transportation.

EC–3440. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to the release procedures for 1–800 telephone numbers; to the Committee on Commerce, Science, and Transportation.

EC–3441. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Pacific Halibut Fisheries,'' received on July 15, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3442. A communication from the Office of the General Counsel, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Federal Motor Vehicle Safety Standards, Truck-Camper Loading,'' (RIN2127–AF81) received on July 15, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3443. A communication from the Acting Director of the Office of Fisheries Conservation and Management, National Marine Fisheries Service, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting, pursuant to law, the report of a rule entitled ''Atlantic Swordfish Fishery,'' received on July 15, 1996; to the Committee on Commerce, Science, and Transportation.

EC–3444. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to the Final Regulatory Flexibility Analysis; to the Committee on Commerce, Science, and Transportation.

EC–3445. A communication from the Managing Director, Federal Communications Commission, transmitting, pursuant to law, a report relative to the Hearing Aid Compatibility Act of 1988; to the Committee on Commerce, Science, and Transportation.

EC–3446. A communication from the Assistant Secretary for Fish and Wildlife Parks, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Scope and Applicability of Regulations,'' (RIN1024–AC21) received on July 16, 1996; to the Committee on Energy and Natural Resources.

EC–3447. A communication from the Director, Office of Surface and Mining, Department of Interior, transmitting, pursuant to law, the report of two rules entitled ''Alabama Regulatory Program,'' received on July 15, 1996; to the Committee on Energy and Natural Resources.

EC–3448. A communication from the Chair of the Federal Subsistence Board, transmitting, pursuant to law, the report of a rule entitled ''Subsistence Management Regulations for Public Lands in Alaska, Subpart C and Subpart D–1996–1997 Subsistence Taking of Fish and Wildlife Regulations,'' (RIN1018–AD42) received on July 15, 1996; to the Committee on Energy and Natural Resources.

EC–3449. A communication from the Director of the Office of Congressional Affairs, U.S. Nuclear Regulatory Commission, transmitting, pursuant to law, the rule concerning criteria and procedures for determining the adequacy of available spent fuel storage capacity; to the Committee on Environment and Public Works.

EC–3450. A communication from the Office of Congressional Affairs, Nuclear Regulatory Commission, transmitting, pursuant to law, the report of a regulatory guide relative to the safety systems of nuclear power plants; to the Committee on Environment and Public Works.

EC–3451. A communication from the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans,'' received on July 16, 1996; to the Committee on Environment and Public Works.

EC–3452. A communication from the Office of Regulatory Management and Information, Environmental Protection Agency, transmitting, pursuant to law, the report of five rules entitled ''Approval and Promulgation of Implementation Plans,'' (FRL5464–6, 5532–3, 5514–4, 5533–5, 5531–4) received on July 15, 1996; to the Committee on Environment and Public Works.

EC–3453. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, the report of a rule entitled ''National Environmental Policy Act Implementing Procedures,'' (RIN1901–AA67) received on July 17, 1996; to the Committee on Environment and Public Works.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS ON JULY 18, 1996

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. MCCAIN (for himself, Mr. INOUYE, Mr. THOMAS, and Mr. CAMPBELL):

S. 1970. A bill to amend the National Museum of the American Indian Act to make improvements in the Act, and for other purposes; to the Committee on Indian Affairs.

By Mr. MACK (for himself, Mr. DEWINE, Mr. NICKLES, Mr. THURMOND, Mr. GRAHAM, Mr. INHOFE, Mr. COATS, Mr. FAIRCLOTH, and Mr. ABRAHAM):

S. 1971. A bill to empower States with authority for most taxing and spending for highway programs and mass transit programs, and for other purposes; to the Committee on Finance.

By Mr. MCCAIN (for himself, Mr. INOUYE, and Mr. STEVENS):

S. 1972. A bill to amend the Older Americans Act of 1965 to improve the provisions relating to Indians, and for other purposes; to the Committee on Indian Affairs.

By Mr. MCCAIN:

S. 1973. A bill to provide for the settlement of the Navajo-Hopi land dispute, and for other purposes; to the Committee on Indian Affairs.

By Mr. DEWINE:

S. 1974. A bill to amend the Social Security Act to clarify that the reasonable efforts requirement includes consideration of the health and safety of the child; to the Committee on Finance.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS ON JULY 17, 1996

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. STEVENS:

S. Res. 279. A resolution to commend Dr. LeRoy T. Walker for his service as President of the U.S. Olympic Committee and his lifelong dedication to the improvement of amateur athletic opportunities in the United States; considered and agreed to.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS ON JULY 18, 1996

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. SPECTER (for himself, Mr. SANTORUM, Mr. D'AMATO, Mr. MOYNIHAN, and Mr. LAUTENBERG):

S. Res. 280. A resolution expressing the sense of the Senate regarding the tragic

crash of TWA Flight 800; considered and agreed to.

By Mr. DASCHLE:

S. Res. 281. A resolution to authorize representation by Senate Legal Counsel; considered and agreed to.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. MCCAIN (for himself, Mr. INOUYE, Mr. THOMAS, and Mr. CAMPBELL):

S. 1970. A bill to amend the National Museum of the American Indian Act to make improvements in the Act, and for other purposes; to the Committee on Indian Affairs.

### THE NATIONAL MUSEUM OF THE AMERICAN INDIAN ACT AMENDMENTS OF 1996

● Mr. MCCAIN. Mr. President, I introduce legislation to amend the National Museum of the American Indian Act of 1989. I am very pleased to be joined by Senators INOUYE, THOMAS and CAMPBELL as original cosponsors of this legislation. I am particularly pleased to be joined by my good friend from Hawaii, Senator INOUYE, the Vice-Chairman of the Committee on Indian Affairs, who, with his tireless dedication, has championed this particular issue for many years. This legislation is intended to amend the National Museum of the American Indian Act to ensure that the requirements for the inventory, identification and repatriation of Native American human remains, associated and unassociated funerary objects, sacred objects, and objects of cultural patrimony in the possession of the Smithsonian Institution are being carried out in a manner consistent with the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001), so that these culturally important items can be returned to their rightful keepers and protectors, the Indian tribes.

The possession of Native American human remains, funerary objects, sacred objects, and objects of cultural patrimony by various Federal agencies, museums, and private collectors has been a very contentious issue for Indian tribes, tribal organizations, and Native Hawaiian Organizations for many years. Native Americans, not unlike other Americans, feel that the bones of their ancestors and the objects buried with them are sacred and rightfully belong under the protection and control of their descendants. Similarly, Native Americans feel strongly that sacred objects and objects of cultural patrimony, which have been wrongfully acquired, should be returned to the appropriate Indian tribe or Native Hawaiian organization. On the other side of the debate are archeologists, anthropologists, and others from the scientific community who feel that there is an overriding principle of scientific inquiry to unearth and study the remains of the Indians of the past in order to understand past cultures and their histories. Over the years, this debate has ranged from scholarly discussion to impassioned arguments and finally to emotional demands by Indian people for understanding and respect for their right to have these culturally and spiritually important items to be properly returned.

It is important to note that the Smithsonian Institution was the first museum to take the lead in establishing a process for the repatriation of Native American human remains and funerary objects. Under the National Museum of the American Indian Act (20 U.S.C. 80q, et seq.), Congress established a process for the inventory, identification, and repatriation of Native American human remains and associated funerary objects. This ground breaking legislation was a critical first step in facilitating thoughtful dialogue between Indian tribes and museums regarding the proper treatment of Native American human remains, funerary objects, sacred objects and objects of cultural patrimony. These discussions resulted in the passage of the Native American Graves Protection and Repatriation Act. Since the passage of the Act, the Smithsonian Institution has continued to work diligently to fulfill the mandates of the National Museum of the American Indian Act regarding the repatriation of Native American human remains and funerary objects. In fact, in certain areas the administrative policies of the National Museum of the American Indian and the National Museum of Natural History exceed the requirements of the National Museum of the American Indian. Since 1991 the Museum of Natural History has adopted the categories and repatriation provisions described in Native American Graves Protection and Repatriation Act as museum policy. Under that policy, the museum has inventoried a substantial part of its collection of Native American human remains and returned hundreds of human remains to Native American communities. The National Museum of the American Indian has developed a substantive repatriation policy that goes well beyond the requirements of the Native American Graves Protection and Repatriation Act in order to facilitate the identification and repatriation of any Native American human remains and objects in its collections. Under its 1991 repatriation policy, the National Museum of the American Indian has prepared and distributed both the summary of ethnographic materials and the inventory of human remains and funerary objects within its entire collection to all of the 557 federally recognized Indian tribes. The Museum's summary goes beyond the requirements of Native American Graves Protection and Repatriation Act by not only including sacred objects and objects of cultural patrimony but also includes religious and ceremonial objects, and objects that are owned in common.

Under the repatriation provisions of the National Museum of the American Indian Act, the Smithsonian Institution is required only to inventory and repatriate Native American human remains and associated funerary objects. Although the Native American Graves Protection and Repatriation Act does not cover the Smithsonian Institution, the Smithsonian has endeavored to meet or exceed each of the requirements of the Act. Despite the absence of a statutory obligation to identify and repatriate Native American unassociated funerary objects, sacred objects, and objects of cultural patrimony, the Smithsonian Institution has committed to complete its identification and summary of Native American unassociated funerary objects, sacred objects, and objects of cultural patrimony by December 31, 1996. Similarly, the Smithsonian has committed to completing its inventory of Native American human remains and associated funerary objects before June 1, 1998.

Mr. President, the bill I am introducing today would provide the statutory authority to the Smithsonian Institution to complete its inventory, identification, and repatriation process for the respectful return of the tribal ancestors and items of cultural importance to Native Americans. This legislation is consistent with the administrative policies of the Smithsonian as it relates to repatriation and it is consistent with the requirements of the Native American Graves Protection and Repatriation Act. I would like to commend the tremendous progress made by the Smithsonian Institution in implementing a policy that respects Indian tribes and their deeply-held beliefs by providing for the return of the remains of their ancestors and relatives and the culturally significant objects in its possession. I would like to add that representatives of the Smithsonian have worked closely with the Committee in the preparation of this legislation and have continued to demonstrate their serious commitment to returning these sacred remains and objects to their rightful owners, the Indian tribes.

Mr. President, I ask unanimous consent that the full text of the bill and the accompanying section by section analysis appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1970

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE; REFERENCES.**

(a) SHORT TITLE.—This Act may be cited as the ''National Museum of the American Indian Act Amendments of 1996''.

(b) REFERENCES.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of the National Museum of the American Indian Act (20 U.S.C. 80q et seq.).

**SEC. 2. BOARD OF TRUSTEES.**

Section 5(f)(1)(B) (20 U.S.C. 80q–3(f)(1)(B)) is amended by striking ''an Assistant Secretary'' and inserting ''a senior official''.

**SEC. 3. INVENTORY.**

Section 11(a) (20 U.S.C. 80q–9) is amended—

(1) by striking ''(1)'' and inserting ''(A)'';

(2) by striking ''(2)'' and inserting ''(B)'';

(3) by inserting ''(1)'' before ''The Secretary''; and

(4) by adding at the end the following new paragraphs:

''(2) The inventory made by the Secretary of the Smithsonian Institution under paragraph (1) shall be completed not later than June 1, 1998.

''(3) For purposes of this subsection, the term 'inventory' means a simple, itemized list that, to the extent practicable, identifies, based upon available information held by the Smithsonian Institution, the geographic and cultural affiliation of the remains and objects referred to in paragraph (1).''.

**SEC. 4. SUMMARY AND REPATRIATION OF UNASSOCIATED FUNERARY OBJECTS, SACRED OBJECTS, AND CULTURAL PATRIMONY.**

The National Museum of the American Indian Act is amended by inserting after section 11 the following new section:

**''SEC. 11A. SUMMARY AND REPATRIATION OF UNASSOCIATED FUNERARY OBJECTS, SACRED OBJECTS, AND CULTURAL PATRIMONY.**

''(a) SUMMARY.—Not later than December 31, 1996, the Secretary of the Smithsonian Institution shall provide a written summary that contains a summary of unassociated funerary objects, sacred objects, and objects of cultural patrimony (as those terms are defined in subparagraphs (B), (C), and (D), respectively, of section 2(3) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(3)), based upon available information held by the Smithsonian Institution. The summary required under this section shall include, at a minimum, the information required under section 6 of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3004).

''(b) REPATRIATION.—Where cultural affiliation of Native American unassociated funerary objects, sacred objects, and objects of cultural patrimony has been established in the summary prepared pursuant to subsection (a), or where a requesting Indian tribe or Native Hawaiian organization can show cultural affiliation by a preponderance of the evidence based upon geographical, kinship, biological, archaeological, anthropological, linguistic, folkloric, oral traditional, historical, or other relevant information or expert opinion, then the Smithsonian Institution shall expeditiously return such unassociated funerary object, sacred object, or object of cultural patrimony where—

''(1) the requesting party is the direct lineal descendant of an individual who owned the unassociated funerary object or sacred object;

''(2) the requesting Indian tribe or Native Hawaiian organization can show that the object was owned or controlled by the Indian tribe or Native Hawaiian organization; or

''(3) the requesting Indian tribe or Native Hawaiian organization can show that the unassociated funerary object or sacred object was owned or controlled by a member thereof, provided that in the case where an unassociated funerary object or sacred object was owned by a member thereof, there are no identifiable lineal descendants of said member or the lineal descendants, upon notice, have failed to make a claim for the object.

''(c) STANDARD OF REPATRIATION.—If a known lineal descendant or an Indian tribe or Native Hawaiian organization requests the return of Native American unassociated funerary objects, sacred objects, or objects of cultural patrimony pursuant to this Act and presents evidence which, if standing alone before the introduction of evidence to the contrary, would support a finding that the Smithsonian Institution did not have the right of possession, then the Smithsonian Institution shall return such objects unless it can overcome such inference and prove that it has a right of possession to the objects.

''(d) MUSEUM OBLIGATION.—Any museum of the Smithsonian Institution which repatriates any item in good faith pursuant to this Act shall not be liable for claims by an aggrieved party or for claims of fiduciary duty, public trust, or violations of applicable law that are inconsistent with the provisions of this Act.

''(e) STATUTORY CONSTRUCTION.—Nothing in this section may be construed to prevent the Secretary of the Smithsonian Institution, with respect to any museum of the Smithsonian Institution, from making an inventory or preparing a written summary or carrying out the repatriation of Native American human remains, associated and unassociated funerary objects, sacred objects, or objects of cultural patrimony in a manner that exceeds the requirements of this section.

''(f) NATIVE HAWAIIAN ORGANIZATION DEFINED.—For purposes of this section, the term 'Native Hawaiian organization' has the meaning provided that term in section 2(11) of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3001(11)).''.

**SEC. 5. SPECIAL COMMITTEE.**

Section 12 (20 U.S.C. 80q–10) is amended—

(1) in the first sentence of subsection (a), by inserting ''and unassociated funerary objects, sacred objects, and objects of cultural patrimony under section 11A'' before the period; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''five'' and inserting ''7'';

(B) in paragraph (1)—

(i) by striking ''three'' and inserting ''4''; and

(ii) by striking ''and'' at the end;

(C) by redesignating paragraph (2) as paragraph (3); and

(D) by inserting after paragraph (1) the following:

''(2) at least 2 members shall be traditional Indian religious leaders; and''.

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SECTION-BY-SECTION ANALYSIS OF THE NATIONAL MUSEUM OF THE AMERICAN INDIAN ACT AMENDMENTS OF 1996

SECTION ONE. SHORT TITLE

This section cites the short title of the Act as ''the National Museum of the American Indian Act Amendments of 1996''. It also provides that any reference to amendment or repeal in this Act shall be considered to be references to the provisions of the National Museum of the American Indian Act. (20 U.S.C. 80q et seq.)

SECTION TWO. BOARD OF TRUSTEES

This section amends section 5 of the National Museum of the American Indian Act by changing the reference to ''an Assistant Secretary'' of the Smithsonian Institution to ''a senior official'' of the Smithsonian.

SECTION THREE. INVENTORY

This section amends section 11 of the National Museum of the American Indian Act to require the inventory to be conducted by the Secretary of the Smithsonian be completed not later than June 1, 1998. It also defines the term ''inventory'' as it is used in the Act.

SECTION FOUR. SUMMARY AND REPATRIATION OF UNASSOCIATED FUNERARY OBJECTS, SACRED OBJECTS, AND CULTURAL PATRIMONY

This section amends the National Museum of the American Indian Act by establishing a new section 11a. Section 11a requires the Secretary of the Smithsonian to develop a written summary of unassociated funerary objects, sacred objects, and objects of cultural patrimony held by the Smithsonian, based upon available information and consistent with the requirements of the Native American Graves Protection and Repatriation Act (25 U.S.C. 3004). The summary must be completed by December 31, 1996.

Subsection (b) requires the Smithsonian to expeditiously return any Native American unassociated funerary object, sacred object, or object of cultural patrimony where the cultural affiliation has been established in the summary prepared by the Smithsonian, or where a requesting Indian tribe or Native Hawaiian Organization can show its cultural affiliation with the items by a preponderance of the evidence, and the requesting Indian tribe or Native Hawaiian Organization can establish that the object was owned or controlled by the Indian tribe or Native Hawaiian Organization, or by a member of the tribe or organization. The Smithsonian shall expeditiously return any object to any direct lineal descendent of the owner of the object.

Subsection (c) sets out the standard of repatriation under the Act. It provides that if a known lineal descendant or an Indian tribe or Native Hawaiian organization requests the return of Native American unassociated funerary objects, sacred objects, or objects of cultural patrimony and can make a prima facie showing that the Smithsonian Institution did not have the right of possession of such object, then the Smithsonian must return such object unless it can prove that it has the right of possession of such objects.

Subsection (d) provides that any museum of the Smithsonian Institution, which repatriates an item in good faith shall not be liable for any claims of fiduciary duty, public trust, or violations of State law that are inconsistent with the provisions of this Act.

Subsection (e) provides that nothing in this Act shall be construed to prevent the Secretary of the Smithsonian from making an inventory or preparing a written summary or carrying out the repatriation of objects under this Act in a manner that exceeds the requirements of this section.

Subsection (f) defines the term ''Native Hawaiian Organization'' as the term is used in this Act.

SECTION FIVE. SPECIAL COMMITTEE

This section amends section 12 of the National Museum of the American Indian Act by increasing the membership of the Special Committee to seven and it shall include two members who are traditional Indian religious leaders.

● Mr. INOUYE. Mr. President, I am pleased to join my Chairman, Senator JOHN MCCAIN, in the introduction of a bill to amend the National Museum of the American Indian Act.

The amendments that this bill proposes would fulfill a commitment I made to other museums and scientific institutions at the time the Congress was considering the Native American Graves Protection and Repatriation Act.

At that time, Mr. President, the National Museum of the American Indian was newly authorized and was engaged in establishing the necessary administrative structures and policies that would define its character as an institution.

Amongst the issues to be addressed by the new museum was the development of a repatriation policy, and the

need to reconcile that policy with the policies of other museums in the Smithsonian Institution.

Accordingly, while a general framework addressing repatriation was included in the National Museum of the American Indian Act that we adopted in 1989, the opportunity for the Smithsonian Institution to develop an institution-wide repatriation policy and the processes associated with the implementation of such a policy was requested, and we provided the time necessary to enable the development of that comprehensive policy.

The other museums and scientific institutions that were to be covered under the Native American Graves Protection and Repatriation Act objected in the strongest possible terms to the exclusion of the Smithsonian Institution from the act, but ultimately agreed not to oppose passage of the act based in part upon my personal commitment that the Congress would subsequently enact legislation to assure that the Smithsonian Institution would be subject to Federal repatriation law.

The bill we introduce today is designed, as I have indicated, to fulfill that commitment and to assure that the policy objectives of the Native American Graves Protection and Repatriation Act are extended to the Smithsonian Institution.

As I complete my service as a member of the Board of Trustees of the National Museum of the American Indian this year, I am pleased that my Chairman has seized the initiative to act upon the discussions in which we have been engaged with the Smithsonian Institution and thereby given his support for carrying out my promise.

I am hopeful that our colleagues in the Senate and the House will agree to act upon this legislation before the end of the 104th session of the Congress, and I thank my Chairman for his leadership.●

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By Mr. McCAIN (for himself, Mr. INOUYE and Mr. STEVENS):

S. 1972. A bill to amend the Older Americans Act of 1965 to improve the provisions relating to Indians, and for other purposes; to the Committee on Indian Affairs.

THE OLDER AMERICANS INDIAN TECHNICAL AMENDMENTS ACT

Mr. McCAIN. Mr. President, I rise today on behalf of myself and Senators INOUYE and STEVENS to introduce legislation to make various technical amendments to the Older Americans Act. This bill provides greater flexibility to the Administration on Aging to assist Indian tribes in providing critically needed nutrition services to older native Americans.

In most native communities, older native Americans are held in the highest esteem because they serve a vital role in the community as the keepers of culture, language, and tradition. native American elder populations are growing rapidly throughout Indian country, representing almost 9 percent of the total native American population. However, older Native Americans also experience levels of poverty at rates significantly higher than the national level, ranging from 29 percent for Indian elders aged 60 and older to 38 percent for rural Indian elders aged 65 and over. Older native Americans still live under some of the most remote and harsh conditions existing in Indian country.

In addition to high levels of poverty, native American elders experience comparatively higher levels of immobility and disability with severely limited self-care options. Native American elders often live alone in remote areas with no access to transportation or telephone services. In some cases, the nearest telephone or grocery store is hundreds of miles away. Many older Native Americans who live in rural areas have not graduated from high school or have no formal schooling. Employment opportunities for older native Americans are extremely limited due to the remoteness of Indian communities and the lack of formal education.

The community-based services provided to native American elders through the Older Americans Act are of great benefit to many Indian communities. Through the act, many older Native Americans can earn incomes by serving their tribal communities through the senior employment programs. The act also authorizes grants to Indian tribes and tribal organizations through title VI to administer important nutritional programs in remote areas such as those serving Alaska Native communities and rural areas on the Navajo Reservation in my home State of Arizona.

However, these programs can be strengthened to ensure that Indian tribes are able to tailor nutritional and supportive programs that are appropriate to the cultural and geographic characteristics of their communities. Often, employment and nutrition programs are difficult to administer in Indian country because of the remoteness of the service area for Indian populations and the unique character of Indian cultures. The legislation I am proposing will ensure that Indian tribes and tribal organizations serving Native American elders will be afforded maximum flexibility in administering employment and nutrition programs to provide critically needed services at the reservation level.

The bill modifies the definition of ''reservation'' to clarify that Indian tribes in Oklahoma and California, as well as Alaska Native communities, will maintain their eligibility to administer programs under the act. Indian reservations and Alaska Native communities suffer from the highest unemployment rates in the United States and endure the lowest incomes of all Americans. The application of this requirement only serves to frustrate the efforts of older Native Americans to work in their own communities.

The bill will also modify the requirement for certification by the Bureau of Indian Affairs [BIA] in Section 3057e(b) to provide more flexibility to the administration and to tribal applicants by allowing the BIA to certify population statistics for tribal grant applications through a written approval letter. This change is necessary to clarify that the current procedure of obtaining written approval from the BIA is sufficient for tribal applicants to receive a grant award.

Finally, the act will simplify certain requirements that impose unreasonable and overly burdensome application and reporting requirements for tribal applicants. The bill authorizes the Assistant Secretary for Aging to take into consideration the special circumstances facing geographically isolated and small communities that do not have the infrastructure or resources to meet strict and onerous application and reporting requirements. Instead of providing much needed services for small and rural Indian communities, tribal grant recipients often find themselves preoccupied with complying with voluminous paperwork requirements.

Mr. President, the Older Americans Act provides critically needed human and social services to older Native Americans on a daily basis. The bill we are introducing today will simply ensure that older Native Americans will continue to receive the assistance they need to stay in their own homes and communities, and continue to fulfill their vital role as the keepers of culture, language and tradition.

I ask unanimous consent that the full text of this bill and the section-by-section summary be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1972

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Older Americans Indian Technical Amendments Act''.

**SEC. 2. INDIAN EMPLOYMENT; DEFINITION OF INDIAN RESERVATION.**

Section 502(b)(1)(B) of such Act (42 U.S.C. 3056(b)(1)(B)) is amended to read as follows:

''(B)(i) will provide employment for eligible individuals in the community in which such individuals reside, or in nearby communities; or

''(ii) if such project is carried out by a tribal organization that enters into an agreement under subsection (b) or receives assistance from a State that enters into such an agreement, will provide employment for such individuals who are Indians residing on an Indian reservation, as the term is defined in section 2601(2) of the Energy Policy Act of 1992 (25 U.S.C. 3501(2)).''.

**SEC. 3. POPULATION STATISTICS DEVELOPMENT.**

Section 614(b) of such Act (42 U.S.C. 3057e(b)) is amended by striking ''certification'' and inserting ''approval''.

**SEC. 4. REPORTING REQUIREMENTS.**

Section 614(c) of such Act (42 U.S.C. 3057e(c)) is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) by adding at the end the following new paragraph:

''(2) The Assistant Secretary shall provide waivers and exemptions of the reporting requirements of subsection (a)(3) for applicants that serve Indian populations in geographically isolated areas, or applicants that serve small Indian populations, where the small scale of the project, the nature of the applicant, or other factors make the reporting requirements unreasonable under the circumstances. The Assistant Secretary shall consult with such applicants in establishing appropriate waivers and exemptions.''.

**SEC. 5. EXPENDITURE OF FUNDS FOR NUTRITION SERVICES.**

Section 614(c) of such Act (42 U.S.C. 3057e(c)), as amended by section 4, is further amended by adding at the end the following new paragraph:

''(3) In determining whether an application complies with the requirements of subsection (a)(8), the Assistant Secretary shall provide maximum flexibility to an applicant who seeks to take into account subsistence needs, local customs, and other characteristics that are appropriate to the unique cultural, regional, and geographic needs of the Indian populations to be served.''.

**SEC. 6. COORDINATION OF SERVICES.**

Section 614(c) of such Act (42 U.S.C. 3057e(c)), as amended by section 5, is further amended by adding at the end the following new paragraph:

''(4) In determining whether an application complies with the requirements of subsection (a)(12), the Assistant Secretary shall require only that an applicant provide an appropriate narrative description of the geographical area to be served and an assurance that procedures will be adopted to ensure against duplicate services being provided to the same recipients.''.

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SECTION-BY-SECTION ANALYSIS OF THE OLDER AMERICANS INDIAN TECHNICAL AMENDMENTS ACT

**SECTION 1. SHORT TITLE.**

This section cites the short title of the bill, as the ''Older Americans Indian Technical Amendments Act.''

**SEC. 2. INDIAN EMPLOYMENT; DEFINITION OF INDIAN RESERVATION.**

This section amends Section 502(b)(1)(B) of the Act (42 U.S.C. 3056(b)(1)(B)) by modifying the definition of ''reservation'' in the current Act to conform with the definition found in Section 2601(2) of the Energy Policy Act of 1992.

**SEC. 3. POPULATION STATISTICS DEVELOPMENT.**

This section amends Section 614(b) of the Act (42 U.S.C. 3057e(b)) by striking the word ''certification'' and inserting the word ''approval.''

**SEC. 4. REPORTING REQUIREMENTS.**

This section amends Section 614(c) of the Act (42 U.S.C. 3057e(c)) by adding a new paragraph (2) which authorizes the Assistant Secretary on Aging to waive or exempt the reporting requirements of section (a)(3) for applicants that serve Indian populations in geographically isolated areas or applicants that serve small Indian populations, while still maintaining strict accountability standards.

**SEC. 5. EXPENDITURE OF FUNDS FOR NUTRITION SERVICES.**

This section amends Section 614(c) of the Act (42 U.S.C. 3057e(c)) by adding a new paragraph (3) which requires the Assistant Secretary on Aging, in determining whether an application complies with the requirements of subsection (a)(8), to take into account the unique cultural and geographical considerations of the Indian populations to be served.

**SEC. 6. COORDINATION OF SERVICES.**

This section amends Section 614(c) of the Act (42 U.S.C. 3057e(c)) by adding a new paragraph (4) which requires the Assistant Secretary on Aging, in determining whether an application complies with the requirements of subsection (a)(12), to provide flexibility to tribal applicants by requiring only that they submit an appropriate narrative description of the geographical area and population to be served and an appropriate assurance against duplicate services being provided

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By Mr. MCCAIN:

S. 1973. A bill to provide for the settlement of the Navajo-Hopi land dispute, and for other purposes; to the Committee on Indian Affairs.

THE NAVAJO-HOPI LAND DISPUTE SETTLEMENT ACT OF 1996

Mr. MCCAIN. Mr. President, I introduce legislation to ratify the settlement of four claims of the Hopi Tribe against the United States and to provide the necessary authority to the Hopi Tribe to issue 75-year lease agreements to Navajo families residing on the Hopi Partitioned Land. This legislation will ratify the settlement and accommodation agreements between the Department of Justice, the Hopi Tribe, the Navajo Nation, and the Navajo families residing on the Hopi Partitioned Lands.

This settlement marks an important first step in bringing this longstanding dispute between the Hopi Tribe, the Navajo Nation, and the United States to an orderly and peaceful conclusion. These agreements are the product of many years of negotiation under the auspices of the Ninth Circuit Court of Appeals mediation process. While I understand that there are factions in both the Hopi Tribe and the Navajo Nation who have voiced their opposition to this proposal, I believe that these agreements represent the only realistic way to settle the claims of the Hopi Tribe against the United States and to provide an accommodation for the hundreds of Navajos residing on Hopi Partitioned Lands.

I believe it is imperative that the Congress take steps to bring this longstanding dispute to a final resolution. It has been over 22 years since the Navajo-Hopi Settlement Act was passed to settle the disputes between the Navajo Nation and the Hopi Tribe. Since that time, the Federal Government has spent over $350 million to fund the Navajo-Hopi Relocation Program. The funding for this settlement has exceeded the original cost estimates by more than 900 percent. And yet, there are over 130 appeals still pending, which raises a great deal of uncertainty regarding who is and is not eligible for relocation benefits under the act. I am convinced that future Federal budgetary pressures will require that the Navajo-Hopi Relocation Housing Program be brought to an orderly and certain conclusion. In light of the current atmosphere in Congress, it is highly unlikely that the Federal Government will continue to provide benefits through the Office of Navajo and Hopi Indian Relocation much longer. In order to bring this process to an orderly conclusion, I will introduce separate legislation in the near future that will provide for an orderly phase out of the Navajo-Hopi Relocation Housing Program in 5 years. As an important first step, it is critical that the Congress pass legislation to settle the outstanding claims of the Hopi Tribe against the United States.

The legislation I am introducing today will provide a resolution to these outstanding claims while allowing those Navajo families who are inclined to remain on Hopi Partitioned Land the opportunity to do so for 75 years under an accommodation agreement with the Hopi Tribe. The settlement agreement provides that those eligible Navajo families wishing to receive relocation benefits will have a time certain in which to apply for and receive their benefits. The Agreement also recognizes the Hopi Tribe's right to exercise jurisdiction over the Hopi Partitioned Lands where Navajo families are residing.

The settlement agreement settles four claims by the Hopi Tribe against the United States. The first claim settled by the agreement is Hopi Tribe versus Navajo Tribe, et al., pending in the U.S. District Court in Phoenix, which is a claim for damages due to the failure of the Federal Government to make timely rental value determinations required under 25 U.S.C. 640d-15(a).

The second claim settled by this agreement is Secakuku versus Hale, et al., pending in the U.S. Court of Appeals for the Ninth Circuit, which is a claim for damages against the United States for post-partition damages to the Hopi partitioned lands caused by overgrazing before the lands were partitioned.

The third claim settled by this agreement is Hopi Tribe v. United States, pending in the United States Court of Federal Appeals, which is a claim for damages for the failure of the Federal Government to collect livestock trespass penalties, forage consumed fees, and property damages fees on behalf of the Hopi Tribe.

The last claim settled by the agreement is a claim against the United States for the failure of the Federal Government to give the Hopi Tribe quiet possession of the Hopi lands that are used and occupied by Navajo families.

In exchange for waiving these claims against the United States and for providing an accommodation agreement for the Navajo families residing on the

Hopi Partitioned Lands, the United States will pay the Hopi Tribe $50.2 million under a structured settlement which is keyed to the performance of certain activities under the settlement agreement.

The settlement agreement provides that funds shall be paid out in the following manner: First, the Hopi Tribe will receive $2.4 million once the tribe files a motion to dismiss its appeal in the Ninth Circuit in Secakuku versus Hale; second the Hopi Tribe will receive $22.7 million once legislation extending the tribe's leasing authority to 75 years has been enacted and once the tribe's claims in the Court of Claims for damages due to any Federal action which occurred before 1982 are dismissed; third, the Hopi Tribe will receive $10 million once 65 percent of the Navajo families residing on the Hopi reservation have signed the accommodation agreement or request to be relocated and once the Hopi Tribe's claims in the Court of Claims for livestock trespass damages against the United States from 1983 through 1988 are dismissed; fourth the Hopi Tribe will receive $15.1 million once 75 percent of the Navajo families residing on the Hopi reservation have signed the accommodation agreements or request to be relocated and once the Hopi Tribe's claims in the Court of Federal Appeals for livestock trespass damages against the United States from 1989 through and including 1996 are dismissed.

This settlement has the support of the Navajo Nation, Hopi Tribe, the Departments of Justice and Interior, and the State of Arizona. The accommodation agreement for the Navajo families was negotiated and approved by representatives of the Navajo families residing on the Hopi Partitioned Land. While I understand that this legislation ratifying the settlement agreement does not completely resolve the disputes between the Navajo and Hopi Tribes, I believe the agreement represents significant progress toward an overall settlement of these highly contentious and longstanding claims between the two tribes.

Finally, I would like to congratulate all the parties for their dedication and hard work in crafting these historic agreements. I am pleased to note that the parties have been sensitive to the concerns of local government in negotiating this settlement agreement, which enjoys the support of the Governor of the State of Arizona.

Mr. President, I ask unanimous consent that the full text ofthe bill and the accompanying section by section analysis appear in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1973

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Navajo-Hopi Land Dispute Settlement Act of 1996''.

**SEC. 2. FINDINGS.**

The Congress finds that—

(1) it is in the public interest for the Tribe, Navajos residing on the Hopi Partitioned Lands, and the United States to reach a peaceful resolution of the longstanding disagreements between the parties under the Act commonly known as the ''Navajo-Hopi Land Settlement Act of 1974'' (Public Law 93–531; 25 U.S.C. 640d et seq.);

(2) it is in the best interest of the Tribe and the United States that there be a fair and final settlement of certain issues remaining in connection with the Navajo-Hopi Land Settlement Act of 1974, including the full and final settlement of the multiple claims that the Tribe has against the United States;

(3) this Act, together with the Settlement Agreement executed on December 14, 1995, and the Accommodation Agreement (as incorporated by the Settlement Agreement), provide the authority for the Tribe to enter agreements with eligible, traditional Navajo families in order for those families to remain residents of the Hopi Partitioned Lands for a period of 75 years, subject to the terms and conditions of the Accommodation Agreement;

(4) the United States acknowledges and respects—

(A) the sincerity of the traditional beliefs of the members of the Tribe and the Navajo families residing on the Hopi Partitioned Lands; and

(B) the importance that the respective traditional beliefs of the members of the Tribe and Navajo families have with respect to the culture and way of life of those members and families;

(5) this Act, the Settlement Agreement, and the Accommodation Agreement provide for the mutual respect and protection of the traditional religious beliefs and practices of the Navajo families residing on the Hopi Partitioned Lands; and

(6) the Tribe is encouraged to work with the Navajo families residing on the Hopi Partitioned Lands to address their concerns regarding the establishment of family or individual burial plots for deceased family members who have resided on the Hopi Partitioned Lands.

**SEC. 3. DEFINITIONS.**

Except as otherwise provided in this Act, for purposes of this Act, the following definitions shall apply:

(1) ACCOMMODATION.—The term ''Accommodation'' has the meaning provided the term ''Accommodation'' under the Settlement Agreement.

(2) HOPI PARTITIONED LANDS.—The term ''Hopi Partitioned Lands'' means lands located in the Hopi Partitioned Area, as defined in section 168.1(g) of title 25, Code of Federal Regulations (as effect on the date of enactment of this Act).

(3) NAVAJO PARTITIONED LANDS.—The term ''Navajo Partitioned Lands'' has the meaning provided that term in the proposed regulations issued on November 1, 1995, at 60 Fed. Reg. 55506.

(4) NEW LANDS.—The term ''New Lands'' has the meaning provided that term in section 700.701(b) of title 25, Code of Federal Regulations.

(5) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(6) SETTLEMENT AGREEMENT.—The term ''Settlement Agreement'' means the agreement between the United States and the Hopi Tribe executed on December 14, 1995.

(7) TRIBE.—The term ''Tribe'' means the Hopi Tribe.

**SEC. 4. RATIFICATION OF SETTLEMENT AGREEMENT.**

The United States approves, ratifies, and confirms the Settlement Agreement.

**SEC. 5. CONDITIONS FOR LANDS TAKEN INTO TRUST.**

The Secretary shall take such action as may be necessary to ensure that the following conditions are met prior to taking lands into trust for the benefit of the Tribe pursuant to the Settlement Agreement:

(1) SELECTION OF LANDS TAKEN INTO TRUST.—

(A) PRIMARY AREA.—In accordance with section 7(a) of the Settlement Agreement, the primary area within which lands may be taken into trust by the Secretary for the benefit of the Tribe under the Settlement Agreement shall be located in northern Arizona.

(B) REQUIREMENTS FOR LANDS TAKEN INTO TRUST IN THE PRIMARY AREA.—Lands taken into trust in the primary area referred to in subparagraph (A) shall be—

(i) land that is used substantially for ranching, agriculture, or another similar use; and

(ii) to the extent feasible, in contiguous parcels.

(2) ACQUISITION OF LANDS.—Before taking any land into trust for the benefit of the Tribe under this section, the Secretary shall ensure that:

(A) At least 75 percent of the eligible Navajo heads of household (as determined under the Settlement Agreement) have entered into an accommodation or have chosen to relocate and are eligible for relocation assistance (as determined under the Settlement Agreement).

(B) The Tribe has consulted with the State of Arizona concerning the lands proposed to be placed in trust, including consulting the State concerning the impact of placing those lands into trust on the State and political subdivisions thereof resulting from the removal of land from the tax rolls in a manner consistent with the provisions of part 151 of title 25, Code of Federal Regulations.

**SEC. 6. ACQUISITION THROUGH CONDEMNATION OF CERTAIN INTERSPERSED LANDS.**

(a) IN GENERAL.—

(1) ACTION BY THE SECRETARY.—

(A) IN GENERAL.—The Secretary shall take action as specified in subparagraph (B), to the extent that the Tribe, in accordance with section 7(b) of the Settlement Agreement—

(i) acquires private lands; and

(ii) requests the Secretary to acquire through condemnation interspersed lands that are owned by the State of Arizona and are located within the exterior boundaries of those private lands in order to have both the private lands and the State lands taken into trust by the Secretary for the benefit of the Tribe.

(B) ACQUISITION THROUGH CONDEMNATION.—With respect to a request for an acquisition of lands through condemnation made under subparagraph (A), the Secretary shall, upon the recommendation of the Tribe, take such action as may be necessary to acquire the lands through condemnation and pay the State of Arizona fair market value for those lands in accordance with applicable Federal law, if the conditions described in paragraph (2) are met.

(2) CONDITIONS FOR ACQUISITION THROUGH CONDEMNATION.—The Secretary may acquire lands through condemnation under this subsection if—

(A) that acquisition is consistent with the purpose of obtaining not more than 500,000 acres of land to be taken into trust for the Tribe;

(B) the State of Arizona concurs with the United States that the acquisition is consistent with the interests of the State; and

(C) the Tribe pays for the land acquired through condemnation under this subsection.

(b) DISPOSITION OF LANDS.—If the Secretary acquires lands through condemnation under subsection (a), the Secretary shall take those lands into trust for the Tribe in accordance with this Act and the Settlement Agreement.

(c) PRIVATE LANDS.—The Secretary may not acquire private lands through condemnation for the purpose specified in subsection (a)(2)(A).

**SEC. 7. ACTION TO QUIET TITLE.**

If the United States fails to discharge the obligations specified in section 9(c) of the Settlement Agreement with respect to voluntary relocation of Navajos residing on Hopi Partitioned Lands, or section 9(d) of the Settlement Agreement, relating to the implementation of sections 700.137 through 700.139 of title 25, Code of Federal Regulations, on the New Lands, including failure for reason of insufficient funds made available by appropriations or otherwise, the Tribe may bring an action to quiet possession that relates to the use of the Hopi Partitioned Lands after February 1, 2000, by a Navajo family that is eligible for an accommodation, but fails to enter into an accommodation.

**SEC. 8. PAYMENTS IN LIEU OF TAXES.**

Section 6901(1) of title 31, United States Code, is amended—

(1) by striking ''or'' at the end of subparagraph (F);

(2) by striking the period at the end of subparagraph (G) and inserting ''; and''; and

(3) by inserting at the end the following new subparagraph:

''(H) Fee lands owned by the Hopi Tribe or members of the Hopi Tribe that are taken into trust by the Secretary of the Interior pursuant to the agreement between the United States and the Hopi Tribe executed on December 14, 1995.''.

**SEC. 9. 75–YEAR LEASING AUTHORITY.**

The first section of the Act of August 9, 1955 (69 Stat. 539, chapter 615; 25 U.S.C. 415) is amended—

(1) in subsection (a), by inserting before the period at the end of the second sentence the following: '', and except leases of land by the Hopi Tribe to Navajo Indians on the Hopi Partitioned lands, which may be for a term of years not to exceed seventy-five years''; and

(2) by adding at the end the following new subsection:

''(c) For purposes of this section—

''(1) the term 'Hopi Partitioned Lands' means lands located in the Hopi Partitioned Area, as defined in section 168.1 (g) of title 25, Code of Federal Regulations (as in effect on the date of enactment of this subsection); and

''(2) the term 'Navajo Indians' means members of the Navajo Tribe.''.

**SEC. 10. REAUTHORIZATION OF THE NAVAJO-HOPI RELOCATION HOUSING PROGRAM.**

Section 25(a)(8) of Public Law 93–531 (25 U.S.C. 640d-24(a)(8)) is amended by striking ''1996, and 1997'' and inserting ''1996, 1997, 1998, 1999, and 2000''.

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SECTION BY SECTION ANALYSIS OF THE NAVAJO-HOPI LAND DISPUTE SETTLEMENT ACT OF 1996

SECTION ONE.—SHORT TITLE

This section cites the short title of the Act as the ''Navajo-Hopi Land Dispute Settlement Act of 1996''.

SECTION TWO.—FINDINGS

This section sets out the findings of the Congress.

SECTION THREE.—DEFINITIONS

This section sets out the definitions used in the Act.

SECTION FOUR. RATIFICATION OF THE SETTLEMENT AGREEMENT

This section provides that the United States approves, ratifies and confirms the Settlement Agreement between the Hopi tribe and the United States executed on December 14, 1995.

SECTION FIVE.—CONDITIONS FOR LANDS TAKEN INTO TRUST

This section provides that, in accordance with section 7(a) of the Settlement Agreement lands which may be taken into trust by the Secretary of the Interior for the Hopi tribe shall be located in Northern Arizona. It provides that lands selected by the Hopi tribe shall be in contiguous parcels if feasible and shall be lands that were substantially used for ranching and agriculture. It further provides that the Secretary shall ensure that at least 75 percent of the heads of households, as determined by the Settlement Agreement, have entered into an accommodation agreement with the Hopi tribe or have chosen to receive their relocation benefits, prior to placing land into trust for the Hopi tribe pursuant to this settlement. The Secretary must also ensure that the Hopi tribe has consulted with the State of Arizona regarding the lands to be placed in trust consistent with 25 C.F.R. part 151.

SECTION SIX.—ACQUISITION BY CONDEMNATION OF CERTAIN INTERSPERSED LANDS

This section authorizes the Secretary of the Interior, at the request of the Hopi tribe take such action as is necessary to acquire, through condemnation action, lands owned by the State of Arizona that are located within the exterior boundaries of lands owned by the Hopi tribe. It also provides that the Secretary shall pay the State of Arizona fair market value for such lands. It further provides that the Secretary may only acquire such lands if the State of Arizona concurs with the acquisition, the tribe pays for the lands acquired through the condemnation, and the Hopi tribe has not exceeded the 500,000 acre limit in the settlement agreement. Finally, the section provides that the Secretary shall take lands acquired under the section into trust for the benefit of the Hopi Tribe in accordance with the Settlement Agreement.

SECTION SEVEN.—ACTION TO QUIET TITLE

This section provides that if the United States fails to discharge its obligations under section 9 of the settlement agreement, the Hopi Tribe is authorized to bring an action of quiet possession against any Navajo family residing on the Hopi Partitioned Lands after February 1, 2000, that has not entered into an accommodation agreement with the Hopi Tribe.

SECTION EIGHT.—PAYMENTS IN LIEU OF TAXES

This section amends 31 U.S.C. 6901 to authorize payments in lieu of taxes for those lands acquired by the Hopi Tribe and taken into trust by the Secretary of the Interior pursuant to the Settlement Agreement.

SECTION NINE.—75 YEAR LEASING AUTHORITY

This section amends 25 U.S.C. 415 to provide authority to the Hopi tribe to enter into 75 year leases with Navajo Indians residing on the Hopi Partitioned Lands.

SECTION TEN.—REAUTHORIZATION OF THE NAVAJO-HOPI RELOCATION HOUSING PROGRAM

This section extends the authorization of appropriations for the Navajo-Hopi Relocation Housing Program through the year 2000.

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## ADDITIONAL COSPONSORS

S. 1009

At the request of Mr. D'AMATO, the names of the Senator from Missouri [Mr. BOND] and the Senator from Kansas [Mrs. FRAHM] were added as cosponsors of S. 1009, a bill to prohibit the fraudulent production, sale, transportation, or possession of fictitious items purporting to be valid financial instruments of the United States, foreign governments, States, political subdivisions, or private organizations, to increase the penalties for counterfeiting violations, and for other purposes.

S. 1098

At the request of Mr. HELMS, the name of the Senator from Mississippi [Mr. LOTT] was added as a cosponsor of S. 1098, a bill to establish the Midway Islands as a National Memorial, and for other purposes.

S. 1592

At the request of Mr. LAUTENBERG, the name of the Senator from Washington [Mrs. MURRAY] was added as a cosponsor of S. 1592, a bill to strike the prohibition on the transmission of abortion-related matters, and for other purposes.

S. 1799

At the request of Ms. SNOWE, the name of the Senator from South Carolina [Mr. HOLLINGS] was added as a cosponsor of S. 1799, a bill to promote greater equity in the delivery of health care services to American women through expanded research on women's health issues and through improved access to health care services, including preventive health services.

S. 1873

At the request of Mr. INHOFE, the name of the Senator from Kansas [Mrs. KASSEBAUM] was added as a cosponsor of S. 1873, a bill to amend the National Environmental Education Act to extend the programs under the Act, and for other purposes.

S. 1885

At the request of Mr. INHOFE, the name of the Senator from Ohio [Mr. DEWINE] was added as a cosponsor of S. 1885, a bill to limit the liability of certain nonprofit organizations that are providers of prosthetic devices, and for other purposes.

S. 1908

At the request of Mrs. FEINSTEIN, the name of the Senator from Arizona [Mr. MCCAIN] was added as a cosponsor of S. 1908, a bill to amend title 18, United States Code, to prohibit the sale of personal information about children without their parents' consent, and for other purposes.

S. 1936

At the request of Mr. CRAIG, the names of the Senator from Arizona [Mr. MCCAIN] and the Senator from Wyoming [Mr. SIMPSON] were added as cosponsors of S. 1936, a bill to amend the Nuclear Waste Policy Act of 1982.

S. 1968

At the request of Mr. FAIRCLOTH, the name of the Senator from North Carolina [Mr. HELMS] was added as a cosponsor of S. 1968, a bill to reorder United States budget priorities with respect to United States assistance to foreign countries and international organizations.

## SENATE RESOLUTION 280—RELATIVE TO THE CRASH OF TWA FLIGHT 800

Mr. SPECTER (for himself, Mr. SANTORUM, Mr. D'AMATO, Mr. MOYNIHAN, and Mr. LAUTENBERG) submitted the following resolution; which was considered and agreed to:

S. RES. 280

Whereas, on July 17, 1996, Trans World Airlines Flight 800 tragically crashed en route from New York to Paris, France, creating a tremendous and tragic loss of life estimated at 229 men, women, and children;

Whereas, according to Daniel L. Chandler, Principal of Montoursville, Pennsylvania High School, among those traveling on board this airplane were 16 members of the Montoursville High School French Club, who were among the very best students of the French language at their school, and their five adult chaperones, who generously devoted their time to making possible this planned three-week French Club trip to visit Paris and the French provinces;

Whereas, the actual cause of the airplane crash is as of yet unknown;

Whereas, the federal government is investigating the cause of this tragedy; Now, therefore, be it

*Resolved*, That the Senate of the United States—

(1) expresses its condolences to the families, friends and loved ones of those whose lives were taken away by this tragic occurrence; and

(2) expresses its sincere hope that the cause of this tragedy will be determined through a thorough investigation as soon as possible.

## SENATE RESOLUTION 281—TO AUTHORIZE REPRESENTATION BY SENATE LEGAL COUNSEL

Mr. DASCHLE submitted the following resolution; which was considered and agreed to:

S. RES. 281

Whereas, in the case of *James Lockhart* v. *United States, et al.*, No. C95–1858Z, pending in the United States District Court for the Western District of Washington, the plaintiff has named Senator Trent Lott and former Senator Robert J. Dole as defendants;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(1)(1994), the Senate may direct its counsel to defend its Members in civil actions relating to their official responsibilities: Now, therefore, be it

*Resolved*, That the Senate Legal Counsel is authorized to represent Senator Lott and former Senator Dole in the case of *James Lockhard* v. *United States, et al.*

## AMENDMENTS SUBMITTED

## THE PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

### LOTT AMENDMENT NO. 4894

Mr. LOTT proposed an amendment to the bill (S. 1956) to provide for reconciliation pursuant to section 202(a) of the concurrent resolution on the budget for fiscal year 1997; as follows:

On page 663, strike line 9, through page 1027, line 20.

### ABRAHAM (AND LIEBERMAN) AMENDMENT NO. 4895

(Ordered to lie on the table.)

Mr. ABRAHAM (for himself and Mr. LIEBERMAN) submitted an amendment intended to be proposed by them to the bill, S. 1956, supra; as follows:

At the appropriate place, insert:

**TITLE ____—ENVIRONMENTAL REMEDIATION COSTS**

**SEC. 00. AMENDMENT OF 1986 CODE.**

Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

**Subtitle A—In General**

**SEC. ___01. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.**

(a) IN GENERAL.—Part II of subchapter V of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new section:

**"SEC. 1395. EXPENSING OF ENVIRONMENTAL REMEDIATION COSTS.**

''(a) TREATMENT AS EXPENSE.—A taxpayer may elect to treat any environmental remediation cost as an expense which is not chargeable to capital account. Any cost so treated shall be allowable as a deduction for the taxable year in which the cost is paid or incurred.

''(b) ENVIRONMENTAL REMEDIATION COST.—For purposes of this section—

''(1) IN GENERAL.—The term 'environmental remediation cost' means any cost which—

''(A) is chargeable to capital account,

''(B) is paid or incurred in connection with the abatement or control of environmental contaminants at a site located within an empowerment zone or enterprise community, and

''(C) is certified by the applicable Federal or State authority as being required by, and in compliance with, applicable Federal and State laws governing abatement and control of environmental contaminants.

''(2) EXCEPTIONS.—Such term shall not include any amount paid or incurred—

''(A) for equipment which is used in the environmental remediation and which is of a character subject to an allowance for depreciation or amortization, or

''(B) in connection with a site which is on the national priorities list under section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9605(a)(8)(B).

''(c) SPECIAL RULES.—For purposes of this section—

''(1) LIMITATION BASED ON INCOME FROM TRADE OR BUSINESS.—The amount allowed as a deduction under subsection (a) for any taxable year shall not exceed the aggregate amount of taxable income of the taxpayer for such taxable year which is derived from the active conduct by the taxpayer of any trade or business during such taxable year. For purposes of this paragraph, rules similar to the rules of subparagraphs (B) and (C) of section 179(b)(3) shall apply. In the case of a partnership, S corporation, trust or other pass thru entity, this paragraph shall be applied at both the entity and owner levels.

''(2) RECAPTURE RULES.—

''(A) PROPERTY NOT USED IN TRADE OR BUSINESS.—The Secretary shall, by regulations, provide for recapturing the benefit of any deduction allowable under subsection (a) with respect to any property not used predominantly in a trade or business at any time.

''(B) TREATMENT OF GAIN AS ORDINARY INCOME.—For purposes of section 1245—

''(i) the deduction allowable under subsection (a) shall be treated as a deduction allowable to the taxpayer for depreciation or amortization; and

''(ii) property (other than section 1245 property) to which the deduction would otherwise have been chargeable shall be treated as section 1245 property solely for purposes of applying section 1245 to such deduction.''

(b) CONFORMING AMENDMENTS.—The table of sections for part II of subchapter U of chapter 1 of such Code is amended—

(1) by striking ''**TAX-EXEMPT FACILITY BONDS**'' in the heading for part II and inserting ''**TAX-INCENTIVES**'', and

(2) by adding at the end the following new item:

''Sec. 1395. Expensing of environmental remediation costs.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to amounts paid or incurred after the date of the enactment of this Act.

**Subtitle B—Treatment of Individuals Who Expatriate**

**SEC. ___31. REVISION OF TAX RULES ON EXPATRIATION.**

(a) IN GENERAL.—Subpart A of part II of subchapter N of chapter 1 is amended by inserting after section 877 the following new section:

**"SEC. 877A. TAX RESPONSIBILITIES OF EXPATRIATION.**

''(a) GENERAL RULES.—For purposes of this subtitle—

''(1) MARK TO MARKET.—Except as provided in subsection (f), all property of a covered expatriate to which this section applies shall be treated as sold on the expatriation date for its fair market value.

''(2) RECOGNITION OF GAIN OR LOSS.—In the case of any sale under paragraph (1)—

''(A) notwithstanding any other provision of this title, any gain arising from such sale shall be taken into account for the taxable year of the sale unless such gain is excluded from gross income under part III of subchapter B, and

''(B) any loss arising from such sale shall be taken into account for the taxable year of the sale to the extent otherwise provided by this title, except that section 1091 shall not apply (and section 1092 shall apply) to any such loss.

''(3) EXCLUSION FOR CERTAIN GAIN.—The amount which would (but for this paragraph) be includible in the gross income of any individual by reason of this section shall be reduced (but not below zero) by $600,000. For purposes of this paragraph, allocable expatriation gain taken into account under subsection (f)(2) shall be treated in the same manner as an amount required to be includible in gross income.

''(4) ELECTION TO CONTINUE TO BE TAXED AS UNITED STATES CITIZEN.—

''(A) IN GENERAL.—If an expatriate elects the application of this paragraph—

''(i) this section (other than this paragraph) shall not apply to the expatriate, but

''(ii) the expatriate shall be subject to tax under this title, with respect to property to which this section would apply but for such election, in the same manner as if the individual were a United States citizen.

''(B) LIMITATION ON AMOUNT OF ESTATE, GIFT, AND GENERATION-SKIPPING TRANSFER TAXES.—The aggregate amount of taxes imposed under subtitle B with respect to any transfer of property by reason of an election under subparagraph (A) shall not exceed the amount of income tax which would be due if the property were sold for its fair market value immediately before the time of the

transfer or death (taking into account the rules of paragraph (2)).

''(C) REQUIREMENTS.—Subparagraph (A) shall not apply to an individual unless the individual—

''(i) provides security for payment of tax in such form and manner, and in such amount, as the Secretary may require,

''(ii) consents to the waiver of any right of the individual under any treaty of the United States which would preclude assessment or collection of any tax which may be imposed by reason of this paragraph, and

''(iii) complies with such other requirements as the Secretary may prescribe.

''(D) ELECTION.—An election under subparagraph (A) shall apply to all property to which this section would apply but for the election and, once made, shall be irrevocable. Such election shall also apply to property the basis of which is determined in whole or in part by reference to the property with respect to which the election was made.

''(b) ELECTION TO DEFER TAX.—

''(1) IN GENERAL.—If the taxpayer elects the application of this subsection with respect to any property—

''(A) no amount shall be required to be included in gross income under subsection (a)(1) with respect to the gain from such property for the taxable year of the sale, but

''(B) the taxpayer's tax for the taxable year in which such property is disposed of shall be increased by the deferred tax amount with respect to the property.

Except to the extent provided in regulations, subparagraph (B) shall apply to a disposition whether or not gain or loss is recognized in whole or in part on the disposition.

''(2) DEFERRED TAX AMOUNT.—

''(A) IN GENERAL.—For purposes of paragraph (1), the term 'deferred tax amount' means, with respect to any property, an amount equal to the sum of—

''(i) the difference between the amount of tax paid for the taxable year described in paragraph (1)(A) and the amount which would have been paid for such taxable year if the election under paragraph (1) had not applied to such property, plus

''(ii) an amount of interest on the amount described in clause (i) determined for the period—

''(I) beginning on the 91st day after the expatriation date, and

''(II) ending on the due date for the taxable year described in paragraph (1)(B),

by using the rates and method applicable under section 6621 for underpayments of tax for such period.

For purposes of clause (ii), the due date is the date prescribed by law (determined without regard to extension) for filing the return of the tax imposed by this chapter for the taxable year.

''(B) ALLOCATION OF LOSSES.—For purposes of subparagraph (A), any losses described in subsection (a)(2)(B) shall be allocated ratably among the gains described in subsection (a)(2)(A).

''(3) SECURITY.—

''(A) IN GENERAL.—No election may be made under paragraph (1) with respect to any property unless adequate security is provided with respect to such property.

''(B) ADEQUATE SECURITY.—For purposes of subparagraph (A), security with respect to any property shall be treated as adequate security if—

''(i) it is a bond in an amount equal to the deferred tax amount under paragraph (2)(A) for the property, or

''(ii) the taxpayer otherwise establishes to the satisfaction of the Secretary that the security is adequate.

''(4) WAIVER OF CERTAIN RIGHTS.—No election may be made under paragraph (1) unless the taxpayer consents to the waiver of any right under any treaty of the United States which would preclude assessment or collection of any tax imposed by reason of this section.

''(5) DISPOSITIONS.—For purposes of this subsection, a taxpayer making an election under this subsection with respect to any property shall be treated as having disposed of such property—

''(A) immediately before death if such property is held at such time, and

''(B) at any time the security provided with respect to the property fails to meet the requirements of paragraph (3) and the taxpayer does not correct such failure within the time specified by the Secretary.

''(6) ELECTIONS.—An election under paragraph (1) shall only apply to property described in the election and, once made, is irrevocable. An election may be under paragraph (1) with respect to an interest in a trust with respect to which gain is required to be recognized under subsection (f)(1).

''(c) COVERED EXPATRIATE.—For purposes of this section—

''(1) IN GENERAL.—The term 'covered expatriate' means an expatriate—

''(A) whose average annual net income tax (as defined in section 38(c)(1)) for the period of 5 taxable years ending before the expatriation date is greater than $100,000, or

''(B) whose net worth as of such date is $500,000 or more.

If the expatriation date is after 1996, such $100,000 and $500,000 amounts shall be increased by an amount equal to such dollar amount multiplied by the cost-of-living adjustment determined under section 1(f)(3) for such calendar year by substituting '1995' for '1992' in subparagraph (B) thereof. Any increase under the preceding sentence shall be rounded to the nearest multiple of $1,000.

''(2) EXCEPTIONS.—An individual shall not be treated as a covered expatriate if—

''(A) the individual—

''(i) became at birth a citizen of the United States and a citizen of another country and, as of the expatriation date, continues to be a citizen of, and is taxed as a resident of, such other country, and

''(ii) has been a resident of the United States (as defined in section 7701(b)(1)(A)(ii)) for not more than 8 taxable years during the 15-taxable year period ending with the taxable year during which the expatriation date occurs, or

''(B)(i) the individual's relinquishment of United States citizenship occurs before such individual attains age 18½, and

''(ii) the individual has been a resident of the United States (as so defined) for not more than 5 taxable years before the date of relinquishment.

''(d) PROPERTY TO WHICH SECTION APPLIES.—For purposes of this section—

''(1) IN GENERAL.—Except as otherwise provided by the Secretary, this section shall apply to—

''(A) any interest in property held by a covered expatriate on the expatriation date the gain from which would be includible in the gross income of the expatriate if such interest had been sold for its fair market value on such date in a transaction in which gain is recognized in whole or in part, and

''(B) any other interest in a trust to which subsection (f) applies.

''(2) EXCEPTIONS.—This section shall not apply to the following property:

''(A) UNITED STATES REAL PROPERTY INTERESTS.—Any United States real property interest (as defined in section 897(c)(1)), other than stock of a United States real property holding corporation which does not, on the expatriation date, meet the requirements of section 897(c)(2).

''(B) INTEREST IN CERTAIN RETIREMENT PLANS.—

''(i) IN GENERAL.—Any interest in a qualified retirement plan (as defined in section 4974(c)), other than any interest attributable to contributions which are in excess of any limitation or which violate any condition for tax-favored treatment.

''(ii) FOREIGN PENSION PLANS.—

''(I) IN GENERAL.—Under regulations prescribed by the Secretary, interests in foreign pension plans or similar retirement arrangements or programs.

''(II) LIMITATION.—The value of property which is treated as not sold by reason of this subparagraph shall not exceed $500,000.

''(e) DEFINITIONS.—For purposes of this section—

''(1) EXPATRIATE.—The term 'expatriate' means—

''(A) any United States citizen who relinquishes his citizenship, or

''(B) any long-term resident of the United States who—

''(i) ceases to be a lawful permanent resident of the United States (within the meaning of section 7701(b)(6)), or

''(ii) commences to be treated as a resident of a foreign country under the provisions of a tax treaty between the United States and the foreign country and who does not waive the benefits of such treaty applicable to residents of the foreign country.

''(2) EXPATRIATION DATE.—The term 'expatriation date' means—

''(A) the date an individual relinquishes United States citizenship, or

''(B) in the case of a long-term resident of the United States, the date of the event described in clause (i) or (ii) of paragraph (1)(B).

''(3) RELINQUISHMENT OF CITIZENSHIP.—A citizen shall be treated as relinquishing his United States citizenship on the earliest of—

''(A) the date the individual renounces his United States nationality before a diplomatic or consular officer of the United States pursuant to paragraph (5) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(5)),

''(B) the date the individual furnishes to the United States Department of State a signed statement of voluntary relinquishment of United States nationality confirming the performance of an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a)(1)–(4)),

''(C) the date the United States Department of State issues to the individual a certificate of loss of nationality, or

''(D) the date a court of the United States cancels a naturalized citizen's certificate of naturalization.

Subparagraph (A) or (B) shall not apply to any individual unless the renunciation or voluntary relinquishment is subsequently approved by the issuance to the individual of a certificate of loss of nationality by the United States Department of State.

''(4) LONG-TERM RESIDENT.—

''(A) IN GENERAL.—The term 'long-term resident' means any individual (other than a citizen of the United States) who is a lawful permanent resident of the United States in at least 8 taxable years during the period of 15 taxable years ending with the taxable year during which the expatriation date occurs. For purposes of the preceding sentence, an individual shall not be treated as a lawful permanent resident for any taxable year if such individual is treated as a resident of a foreign country for the taxable year under the provisions of a tax treaty between the United States and the foreign country and does not waive the benefits of such treaty applicable to residents of the foreign country.

''(B) SPECIAL RULE.—For purposes of subparagraph (A), there shall not be taken into account—

''(i) any taxable year during which any prior sale is treated under subsection (a)(1) as occurring, or

''(ii) any taxable year prior to the taxable year referred to in clause (i).

''(f) SPECIAL RULES APPLICABLE TO BENEFICIARIES' INTERESTS IN TRUST.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if an individual is determined under paragraph (3) to hold an interest in a trust—

''(A) the individual shall not be treated as having sold such interest,

''(B) such interest shall be treated as a separate share in the trust, and

''(C)(i) such separate share shall be treated as a separate trust consisting of the assets allocable to such share,

''(ii) the separate trust shall be treated as having sold its assets immediately before the expatriation date for their fair market value and as having distributed all of its assets to the individual as of such time, and

''(iii) the individual shall be treated as having recontributed the assets to the separate trust.

Subsection (a)(2) shall apply to any income, gain, or loss of the individual arising from a distribution described in subparagraph (C)(ii).

''(2) SPECIAL RULES FOR INTERESTS IN QUALIFIED TRUSTS.—

''(A) IN GENERAL.—If the trust interest described in paragraph (1) is an interest in a qualified trust—

''(i) paragraph (1) and subsection (a) shall not apply, and

''(ii) in addition to any other tax imposed by this title, there is hereby imposed on each distribution with respect to such interest a tax in the amount determined under subparagraph (B).

''(B) AMOUNT OF TAX.—The amount of tax under subparagraph (A)(ii) shall be equal to the lesser of—

''(i) the highest rate of tax imposed by section 1(e) for the taxable year in which the expatriation date occurs, multiplied by the amount of the distribution, or

''(ii) the balance in the deferred tax account immediately before the distribution determined without regard to any increases under subparagraph (C)(ii) after the 30th day preceding the distribution.

''(C) DEFERRED TAX ACCOUNT.—For purposes of subparagraph (B)(ii)—

''(i) OPENING BALANCE.—The opening balance in a deferred tax account with respect to any trust interest is an amount equal to the tax which would have been imposed on the allocable expatriation gain with respect to the trust interest if such gain had been included in gross income under subsection (a).

''(ii) INCREASE FOR INTEREST.—The balance in the deferred tax account shall be increased by the amount of interest determined (on the balance in the account at the time the interest accrues), for periods after the 90th day after the expatriation date, by using the rates and method applicable under section 6621 for underpayments of tax for such periods.

''(iii) DECREASE FOR TAXES PREVIOUSLY PAID.—The balance in the tax deferred account shall be reduced—

''(I) by the amount of taxes imposed by subparagraph (A) on any distribution to the person holding the trust interest, and

''(II) in the case of a person holding a nonvested interest, to the extent provided in regulations, by the amount of taxes imposed by subparagraph (A) on distributions from the trust with respect to nonvested interests not held by such person.

''(D) ALLOCABLE EXPATRIATION GAIN.—For purposes of this paragraph, the allocable expatriation gain with respect to any beneficiary's interest in a trust is the amount of gain which would be allocable to such beneficiary's vested and nonvested interests in the trust if the beneficiary held directly all assets allocable to such interests.

''(E) TAX DEDUCTED AND WITHHELD.—

''(i) IN GENERAL.—The tax imposed by subparagraph (A)(ii) shall be deducted and withheld by the trustees from the distribution to which it relates.

''(ii) EXCEPTION WHERE FAILURE TO WAIVE TREATY RIGHTS.—If an amount may not be deducted and withheld under clause (i) by reason of the distributee failing to waive any treaty right with respect to such distribution—

''(I) the tax imposed by subparagraph (A)(ii) shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax, and

''(II) any other beneficiary of the trust shall be entitled to recover from the distributee the amount of such tax imposed on the other beneficiary.

''(F) DISPOSITION.—If a trust ceases to be a qualified trust at any time, a covered expatriate disposes of an interest in a qualified trust, or a covered expatriate holding an interest in a qualified trust dies, then, in lieu of the tax imposed by subparagraph (A)(ii), there is hereby imposed a tax equal to the lesser of—

''(i) the tax determined under paragraph (1) as if the expatriation date were the date of such cessation, disposition, or death, whichever is applicable, or

''(ii) the balance in the tax deferred account immediately before such date.

Such tax shall be imposed on the trust and each trustee shall be personally liable for the amount of such tax and any other beneficiary of the trust shall be entitled to recover from the covered expatriate or the estate the amount of such tax imposed on the other beneficiary.

''(G) DEFINITIONS AND SPECIAL RULE.—For purposes of this paragraph—

''(i) QUALIFIED TRUST.—The term 'qualified trust' means a trust—

''(I) which is organized under, and governed by, the laws of the United States or a State, and

''(II) with respect to which the trust instrument requires that at least 1 trustee of the trust be an individual citizen of the United States or a domestic corporation.

''(ii) VESTED INTEREST.—The term 'vested interest' means any interest which, as of the expatriation date, is vested in the beneficiary.

''(iii) NONVESTED INTEREST.—The term 'nonvested interest' means, with respect to any beneficiary, any interest in a trust which is not a vested interest. Such interest shall be determined by assuming the maximum exercise of discretion in favor of the beneficiary and the occurrence of all contingencies in favor of the beneficiary.

''(iv) ADJUSTMENTS.—The Secretary may provide for such adjustments to the bases of assets in a trust or a deferred tax account, and the timing of such adjustments, in order to ensure that gain is taxed only once.

''(3) DETERMINATION OF BENEFICIARIES' INTEREST IN TRUST.—

''(A) DETERMINATIONS UNDER PARAGRAPH (1).—For purposes of paragraph (1), a beneficiary's interest in a trust shall be based upon all relevant facts and circumstances, including the terms of the trust instrument and any letter of wishes or similar document, historical patterns of trust distributions, and the existence of and functions performed by a trust protector or any similar advisor.

''(B) OTHER DETERMINATIONS.—For purposes of this section—

''(i) CONSTRUCTIVE OWNERSHIP.—If a beneficiary of a trust is a corporation, partnership, trust, or estate, the shareholders, partners, or beneficiaries shall be deemed to be the trust beneficiaries for purposes of this section.

''(ii) TAXPAYER RETURN POSITION.—A taxpayer shall clearly indicate on its income tax return—

''(I) the methodology used to determine that taxpayer's trust interest under this section, and

''(II) if the taxpayer knows (or has reason to know) that any other beneficiary of such trust is using a different methodology to determine such beneficiary's trust interest under this section.

''(g) TERMINATION OF DEFERRALS, ETC.—On the date any property held by an individual is treated as sold under subsection (a), notwithstanding any other provision of this title—

''(1) any period during which recognition of income or gain is deferred shall terminate, and

''(2) any extension of time for payment of tax shall cease to apply and the unpaid portion of such tax shall be due and payable at the time and in the manner prescribed by the Secretary.

''(h) IMPOSITION OF TENTATIVE TAX.—

''(1) IN GENERAL.—If an individual is required to include any amount in gross income under subsection (a) for any taxable year, there is hereby imposed, immediately before the expatriation date, a tax in an amount equal to the amount of tax which would be imposed if the taxable year were a short taxable year ending on the expatriation date.

''(2) DUE DATE.—The due date for any tax imposed by paragraph (1) shall be the 90th day after the expatriation date.

''(3) TREATMENT OF TAX.—Any tax paid under paragraph (1) shall be treated as a payment of the tax imposed by this chapter for the taxable year to which subsection (a) applies.

''(4) DEFERRAL OF TAX.—The provisions of subsection (b) shall apply to the tax imposed by this subsection to the extent attributable to gain includible in gross income by reason of this section.

''(i) COORDINATION WITH ESTATE AND GIFT TAXES.—If subsection (a) applies to property held by an individual for any taxable year and—

''(1) such property is includible in the gross estate of such individual solely by reason of section 2107, or

''(2) section 2501 applies to a transfer of such property by such individual solely by reason of section 2501(a)(3),

then there shall be allowed as a credit against the additional tax imposed by section 2101 or 2501, whichever is applicable, solely by reason of section 2107 or 2501(a)(3) an amount equal to the increase in the tax imposed by this chapter for such taxable year by reason of this section.

''(j) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of this section, including regulations—

''(1) to prevent double taxation by ensuring that—

''(A) appropriate adjustments are made to basis to reflect gain recognized by reason of subsection (a) and the exclusion provided by subsection (a)(3), and

''(B) any gain by reason of a deemed sale under subsection (a) of an interest in a corporation, partnership, trust, or estate is reduced to reflect that portion of such gain which is attributable to an interest in a

trust which a shareholder, partner, or beneficiary is treated as holding directly under subsection (f)(3)(B)(i), and

''(2) which provide for the proper allocation of the exclusion under subsection (a)(3) to property to which this section applies.

''(k) CROSS REFERENCE.—

**''For income tax treatment of individuals who terminate United States citizenship, see section 7701(a)(47).''.**

(b) INCLUSION IN INCOME OF GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—Section 102 (relating to gifts, etc. not included in gross income) is amended by adding at the end the following new subsection:

''(d) GIFTS AND INHERITANCES FROM COVERED EXPATRIATES.—Subsection (a) shall not exclude from gross income the value of any property acquired by gift, bequest, devise, or inheritance from a covered expatriate after the expatriation date. For purposes of this subsection, any term used in this subsection which is also used in section 877A shall have the same meaning as when used in section 877A.''.

(c) DEFINITION OF TERMINATION OF UNITED STATES CITIZENSHIP.—Section 7701(a) is amended by adding at the end the following new paragraph:

''(47) TERMINATION OF UNITED STATES CITIZENSHIP.—An individual shall not cease to be treated as a United States citizen before the date on which the individual's citizenship is treated as relinquished under section 877A(e)(3).''.

(d) COMPARABLE ESTATE AND GIFT TAX TREATMENT.—

(1) ESTATE TAX.—

(A) IN GENERAL.—Subsection (a) of section 2107 is amended to read as follows:

''(a) TREATMENT OF EXPATRIATES.—

''(1) RATE OF TAX.—A tax computed in accordance with the table contained in section 2001 is hereby imposed on the transfer of the taxable estate, determined as provided in section 2106, of every decedent nonresident who is an expatriate if the expatriation date of the decedent is within the 10-year period ending with the date of death, unless such expatriation did not have for 1 of its principal purposes the avoidance of taxes under this subtitle or subtitle A.

''(2) CERTAIN INDIVIDUALS TREATED AS HAVING TAX AVOIDANCE PURPOSE.—For purposes of paragraph (1), an individual shall be treated as having a principal purpose to avoid such taxes if such individual is a covered expatriate.

''(3) DEFINITIONS.—For purposes of this subsection, the terms 'expatriate', 'expatriation date', and 'covered expatriate' have the meanings given such terms by section 877A.''.

(B) CREDIT FOR FOREIGN DEATH TAXES.—Subsection (c) of section 2107 is amended by redesignating paragraph (2) as paragraph (3) and by inserting after paragraph (1) the following new paragraph:

''(2) CREDIT FOR FOREIGN DEATH TAXES.—

''(A) IN GENERAL.—The tax imposed by subsection (a) shall be credited with the amount of any estate, inheritance, legacy, or succession taxes actually paid to any foreign country in respect of any property which is included in the gross estate solely by reason of subsection (b).

''(B) LIMITATIONS ON CREDIT.—The credit allowed by subparagraph (A) for such taxes paid to a foreign country shall not exceed the lesser of—

''(i) the amount which bears the same ratio to the amount of such taxes actually paid to such foreign country in respect of property included in the gross estate as the value of the property included in the gross estate solely by reason of subsection (b) bears to the value of all property subjected to such taxes by such foreign country, or

''(ii) such property's proportionate share of the excess of—

''(I) the tax imposed by subsection (a), over

''(II) the tax which would be imposed by section 2101 but for this section.

The amount applicable under clause (i) or (ii) shall be reduced by the amount of any credit allowed under section 877A(i).

''(C) PROPORTIONATE SHARE.—For purposes of subparagraph (B), a property's proportionate share is the percentage of the value of the property which is included in the gross estate solely by reason of subsection (b) bears to the total value of the gross estate.''.

(C) EXPANSION OF INCLUSION IN GROSS ESTATE OF STOCK OF FOREIGN CORPORATIONS.—Paragraph (2) of section 2107(b) is amended by striking ''more than 50 percent of'' and all that follows and inserting ''more than 50 percent of—

''(A) the total combined voting power of all classes of stock entitled to vote of such corporation, or

''(B) the total value of the stock of such corporation,''.

(2) GIFT TAX.—

(A) IN GENERAL.—Paragraph (3) of section 2501(a) is amended to read as follows:

''(3) EXCEPTION.—

''(A) CERTAIN INDIVIDUALS.—Paragraph (2) shall not apply in the case of a donor who is an expatriate if the expatriation date of the donor is within the 10-year period ending with the date of transfer, unless such expatriation did not have for 1 of its principal purposes the avoidance of taxes under this subtitle or subtitle A.

''(B) CERTAIN INDIVIDUALS TREATED AS HAVING TAX AVOIDANCE PURPOSE.—For purposes of subparagraph (A), an individual shall be treated as having a principal purpose to avoid such taxes if such individual is a covered expatriate.

''(C) CREDIT FOR FOREIGN GIFT TAXES.—The tax imposed by this section solely by reason of this paragraph shall be credited with the amount of any gift tax actually paid to any foreign country in respect of any gift which is taxable under this section solely by reason of this paragraph. The amount of such credit shall be reduced by the amount of the credit allowed under section 877A(i).

''(D) DEFINITIONS.—For purposes of this paragraph, the term 'expatriate', 'expatriation date', and 'covered expatriate' have the meanings given such terms by section 877A.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 877 is amended by adding at the end the following new subsection:

''(f) APPLICATION.—This section shall not apply to any individual who relinquishes (within the meaning of section 877A(e)(3)) United States citizenship on or after February 6, 1995.''.

(2) Section 2107(c) is amended by adding at the end the following new paragraph:

''(3) CROSS REFERENCE.—For credit against the tax imposed by subsection (a) for expatriation tax, see section 877A(i).''.

(3) Section 2501(a)(3) is amended by adding at the end the following new flush sentence: ''For credit against the tax imposed under this section by reason of this paragraph, see section 877A(i).''.

(4) Paragraph (10) of section 7701(b) is amended by adding at the end the following new sentence: ''This paragraph shall not apply to any long-term resident of the United States who is an expatriate (as defined in section 877A(e)(1)).''.

(f) CLERICAL AMENDMENT.—The table of sections for subpart A of part II of subchapter N of chapter 1 is amended by inserting after the item relating to section 877 the following new item:

''Sec. 877A. Tax responsibilities of expatriation.''.

(g) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in this subsection, the amendments made by this section shall apply to expatriates (within the meaning of section 877A(e) of the Internal Revenue Code of 1986, as added by this section) whose expatriation date (as so defined) occurs on or after February 6, 1995.

(2) GIFTS AND BEQUESTS.—Section 102(d) of the Internal Revenue Code of 1986 (as added by subsection (b)) shall apply to amounts received from expatriates (as so defined) whose expatriation date (as so defined) occurs on and after February 6, 1995.

(3) SPECIAL RULES RELATING TO CERTAIN ACTS OCCURRING BEFORE FEBRUARY 6, 1995.—In the case of an individual who took an act of expatriation specified in paragraph (1), (2), (3), or (4) of section 349(a) of the Immigration and Nationality Act (8 U.S.C. 1481(a) (1)–(4)) before February 6, 1995, but whose expatriation date (as so defined) occurs after February 6, 1995—

(A) the amendment made by subsection (c) shall not apply,

(B) the amendment made by subsection (e)(1) shall not apply for any period prior to the expatriation date, and

(C) the other amendments made by this section shall apply as of the expatriation date.

(4) DUE DATE FOR TENTATIVE TAX.—The due date under section 877A(h)(2) of such Code shall in no event occur before the 90th day after the date of the enactment of this Act.

**SEC. ___32. INFORMATION ON INDIVIDUALS EXPATRIATING.**

(a) IN GENERAL.—Subpart A of part III of subchapter A of chapter 61 is amended by inserting after section 6039E the following new section:

**''SEC. 6039F. INFORMATION ON INDIVIDUALS EXPATRIATING.**

''(a) REQUIREMENT.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, any expatriate (within the meaning of section 877A(e)(1)) shall provide a statement which includes the information described in subsection (b).

''(2) TIMING.—

''(A) CITIZENS.—In the case of an expatriate described in section 877(e)(1)(A), such statement shall be—

''(i) provided not later than the expatriation date (within the meaning of section 877A(e)(2)), and

''(ii) provided to the person or court referred to in section 877A(e)(3).

''(B) NONCITIZENS.—In the case of an expatriate described in section 877A(e)(1)(B), such statement shall be provided to the Secretary with the return of tax imposed by chapter 1 for the taxable year during which the event described in such section occurs.

''(b) INFORMATION TO BE PROVIDED.—Information required under subsection (a) shall include—

''(1) the taxpayer's TIN,

''(2) the mailing address of such individual's principal foreign residence,

''(3) the foreign country in which such individual is residing,

''(4) the foreign country of which such individual is a citizen,

''(5) in the case of an individual having a net worth of at least the dollar amount applicable under section 877A(c)(1)(B), information detailing the assets and liabilities of such individual, and

''(6) such other information as the Secretary may prescribe.

''(c) PENALTY.—Any individual failing to provide a statement required under subsection (a) shall be subject to a penalty for each year during any portion of which such failure continues in an amount equal to the greater of—

''(1) 5 percent of the additional tax required to be paid under section 877A for such year, or

''(2) $1,000,

unless it is shown that such failure is due to reasonable cause and not to willful neglect.

''(d) INFORMATION TO BE PROVIDED TO SECRETARY.—Notwithstanding any other provision of law—

''(1) any Federal agency or court which collects (or is required to collect) the statement under subsection (a) shall provide to the Secretary—

''(A) a copy of any such statement, and

''(B) the name (and any other identifying information) of any individual refusing to comply with the provisions of subsection (a),

''(2) the Secretary of State shall provide to the Secretary a copy of each certificate as to the loss of American nationality under section 358 of the Immigration and Nationality Act which is approved by the Secretary of State, and

''(3) the Federal agency primarily responsible for administering the immigration laws shall provide to the Secretary the name of each lawful permanent resident of the United States (within the meaning of section 7701(b)(6)) whose status as such has been revoked or has been administratively or judicially determined to have been abandoned.

Notwithstanding any other provision of law, not later than 30 days after the close of each calendar quarter, the Secretary shall publish in the Federal Register the name of each individual relinquishing United States citizenship (within the meaning of section 877A(e)(3)) with respect to whom the Secretary receives information under the preceding sentence during such quarter.

''(e) EXEMPTION.—The Secretary may by regulations exempt any class of individuals from the requirements of this section if the Secretary determines that applying this section to such individuals is not necessary to carry out the purposes of this section.''.

(b) CLERICAL AMENDMENT.—The table of sections for such subpart A is amended by inserting after the item relating to section 6039E the following new item:

''Sec. 6039F. Information on individuals expatriating.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to individuals to whom section 877A of the Internal Revenue Code of 1986 applies and whose expatriation date (as defined in section 877A(e)(2)) occurs on or after February 6, 1995, except that no statement shall be required by such amendments before the 90th day after the date of the enactment of this Act.

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## HELMS (AND FAIRCLOTH) AMENDMENT NO. 4896

(Ordered to lie on the table.)

Mr. HELMS (for himself and Mr. FAIRCLOTH) submitted an amendment intended to be proposed by them to the bill S. 1956, supra; as follows:

Strike section 1134 and insert the following:

**SEC. 1134. WORK REQUIREMENT.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 1133, is amended by adding at the end the following:

''(o) WORK REQUIREMENT.—

''(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

''(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

''(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

''(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under subsection (d)(4), other than a job search program or a job search training program.

''(2) WORK REQUIREMENT.—Subject to paragraph (3), no individual shall be eligible to participate in the food stamp program as a member of any household if the individual did not—

''(A) work 20 hours or more per week, averaged monthly;

''(B) participate in and comply with the requirements of a work program for at least 20 hours or more per week, as determine by the State agency; or

''(C) participate in and comply with the requirements of a program under section 20 or a comparable program established by a State or political subdivision of a State.

''(3) EXEMPTIONS.—Paragraph (1) shall not apply to an individual if the individual is—

''(A) a parent resident with a dependent child under 18 years of age;

''(B) mentally or physically unfit;

''(C) under 18 years of age;

''(D) 50 years of age or older; or

''(E) a pregnant woman.''.

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## MCCAIN AMENDMENT NO. 4898

(Ordered to lie on the table.)

Mr. MCCAIN submitted an amendment intended to be proposed by him to the bill, S. 1956, supra; as follows:

On page 411, between lines 2 and 3, insert the following:

''(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

On page 411, line 3, strike ''(3)'' and insert ''(4)''.

On page 554, between lines 7 and 8, insert the following:

**SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.**

(a) CHILD SUPPORT ENFORCEMENT AGREEMENT.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking ''and'' at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting ''; and'';

(3) by adding after paragraph (32) the following new paragraph:

''(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: ''Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).''.

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

''(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).''.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42 U.S.C. 654) is amended by inserting ''and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))'' after ''law enforcement officials''.

(d) CONFORMING AMENDMENTS.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

''(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.''.

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## DASCHLE (AND OTHERS) AMENDMENT NO. 4897

Mr. DASCHLE (for himself, Mr. BREAUX, Ms. MIKULSKI, Mr. FORD, Mr. ROCKEFELLER, Mr. REID, Mr. KERREY, and Mr. HARKIN) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Work First Act of 1996''.

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

The table of contents of this Act is as follows:

Sec. 1. Short title.
Sec. 2. Table of contents.
Sec. 3. Amendment of the Social Security Act.

TITLE I—TEMPORARY EMPLOYMENT ASSISTANCE

Sec. 101. State plan.

TITLE II—WORK FIRST EMPLOYMENT BLOCK GRANT

Sec. 201. Work first employment block grant.
Sec. 202. Consolidation and streamlining of services.
Sec. 203. Job creation.
Sec. 204. Community Steering Committees Demonstration Projects.

TITLE III—SUPPORTING WORK

Sec. 301. Eligibility for medicaid benefits.
Sec. 302. Consolidated child care development block grant.

TITLE IV—ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY

Sec. 401. Supervised living arrangements for minors.

Sec. 402. Reinforcing families.
Sec. 403. Required completion of high school or other training for teenage parents.
Sec. 404. Drug treatment and counseling as part of the Work First program.
Sec. 405. Targeting youth at risk of teenage pregnancy.
Sec. 406. National Clearinghouse on Teenage Pregnancy.
Sec. 407. Effective dates.

TITLE V—INTERSTATE CHILD SUPPORT RESPONSIBILITY

Subtitle A—Eligibility for Services; Distribution of Payments

Sec. 501. State obligation to provide child support enforcement services.
Sec. 502. Distribution of child support collections.
Sec. 503. Privacy safeguards.
Sec. 504. Rights to notification of hearings.

Subtitle B—Locate and Case Tracking

Sec. 511. State case registry.
Sec. 512. Collection and disbursement of support payments.
Sec. 513. State directory of new hires.
Sec. 514. Amendments concerning income withholding.
Sec. 515. Locator information from interstate networks.
Sec. 516. Expansion of the Federal parent locator service.
Sec. 517. Collection and use of social security numbers for use in child support enforcement.

Subtitle C—Streamlining and Uniformity of Procedures

Sec. 521. Adoption of uniform State laws.
Sec. 522. Improvements to full faith and credit for child support orders.
Sec. 523. Administrative enforcement in interstate cases.
Sec. 524. Use of forms in interstate enforcement.
Sec. 525. State laws providing expedited procedures.

Subtitle D—Paternity Establishment

Sec. 531. State laws concerning paternity establishment.
Sec. 532. Outreach for voluntary paternity establishment.
Sec. 533. Cooperation by applicants for and recipients of part A assistance.

Subtitle E—Program Administration and Funding

Sec. 541. Performance-based incentives and penalties.
Sec. 542. Federal and State reviews and audits.
Sec. 543. Required reporting procedures.
Sec. 544. Automated data processing requirements.
Sec. 545. Technical assistance.
Sec. 546. Reports and data collection by the Secretary.

Subtitle F—Establishment and Modification of Support Orders

Sec. 551. Simplified process for review and adjustment of child support orders.
Sec. 552. Furnishing consumer reports for certain purposes relating to child support.
Sec. 553. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

Subtitle G—Enforcement of Support Orders

Sec. 561. Internal Revenue Service collection of arrearages.
Sec. 562. Authority to collect support from Federal employees.
Sec. 563. Enforcement of child support obligations of members of the armed forces.
Sec. 564. Voiding of fraudulent transfers.
Sec. 565. Work requirement for persons owing past-due child support.
Sec. 566. Definition of support order.
Sec. 567. Reporting arrearages to credit bureaus.
Sec. 568. Liens.
Sec. 569. State law authorizing suspension of licenses.
Sec. 570. Denial of passports for nonpayment of child support.
Sec. 571. International support enforcement.
Sec. 572. Financial institution data matches.
Sec. 573. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
Sec. 574. Nondischargeability in bankruptcy of certain debts for the support of a child.

Subtitle H—Medical Support

Sec. 581. Correction to ERISA definition of medical child support order.
Sec. 582. Enforcement of orders for health care coverage.

Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

Sec. 591. Grants to States for access and visitation programs.

Subtitle J—Effective Dates and Conforming Amendments

Sec. 595. Effective dates and conforming amendments.

TITLE VI—SUPPLEMENTAL SECURITY INCOME REFORM

Subtitle A—Eligibility Restrictions

Sec. 601. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 602. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 603. Treatment of prisoners.
Sec. 604. Effective date of application for benefits.

Subtitle B—Benefits for Disabled Children

Sec. 611. Definition and eligibility rules.
Sec. 612. Continuing disability reviews.
Sec. 613. Additional accountability requirements.
Sec. 614. Reduction in cash benefits payable to institutionalized children whose medical costs are covered by private insurance.
Sec. 615. Modification respecting parental income deemed to disabled children.

Subtitle C—Enforcement Provisions

Sec. 621. Installment payment of large past-due supplemental security income benefits.

Subtitle D—Study of Disability Determination Process

Sec. 631. Annual report on the supplemental security income program.
Sec. 632. Improvements to disability evaluation.
Sec. 633. Study of disability determination process.
Sec. 634. Study by general accounting office.

Subtitle E—National Commission on the Future of Disability

Sec. 641. Establishment.
Sec. 642. Duties of the commission.
Sec. 643. Membership.
Sec. 644. Staff and support services.
Sec. 645. Powers of commission.
Sec. 646. Reports.
Sec. 647. Termination.

TITLE VII—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Sec. 700. Statements of national policy concerning welfare and immigration.

Subtitle A—Eligibility for Federal Benefits

Sec. 701. Aliens who are not qualified aliens ineligible for Federal public benefits.
Sec. 702. Limited eligibility of certain qualified aliens for SSI benefits.
Sec. 703. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
Sec. 704. Notification and information reporting.

Subtitle B—Eligibility for State and Local Public Benefits Programs

Sec. 711. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.

Subtitle C—Attribution of Income and Affidavits of Support

Sec. 721. Federal attribution of sponsor's income and resources to alien for purposes of medicaid, food stamps, and TEA eligibility.
Sec. 722. Authority for States to provide for attribution of sponsor's income and resources to the alien with respect to State programs.
Sec. 723. Requirements for sponsor's affidavit of support.
Sec. 724. Cosignature of alien student loans.

Subtitle D—General Provisions

Sec. 731. Definitions.
Sec. 732. Statutory construction.
Sec. 733. Title inapplicable to programs specified by attorney general.
Sec. 734. Title inapplicable to programs of nonprofit charitable organizations.

Subtitle E—Conforming Amendments

Sec. 741. Conforming amendments relating to assisted housing.

TITLE VIII—FOOD ASSISTANCE

Subtitle A—Food Stamp Program

Sec. 801. Definition of certification period.
Sec. 802. Definition of coupon.
Sec. 803. Treatment of children living at home.
Sec. 804. Adjustment of the thrifty food plan.
Sec. 805. Definition of homeless individual.
Sec. 806. State option for eligibility standards.
Sec. 807. Earnings of students.
Sec. 808. Energy assistance.
Sec. 809. Reduction in the standard deduction.
Sec. 810. Mandatory use of a standard utility allowance.
Sec. 811. Vehicle asset limitation.
Sec. 812. Vendor payments for transitional housing counted as income.
Sec. 813. Doubled penalties for violating food stamp program requirements.
Sec. 814. Disqualification of convicted individuals.
Sec. 815. Disqualification.
Sec. 816. Employment and training.
Sec. 817. Comparable treatment for disqualification.
Sec. 818. Disqualification of fleeing felons.
Sec. 819. Cooperation with child support agencies.
Sec. 820. Work requirement.
Sec. 821. Encourage electronic benefit transfer systems.
Sec. 822. Minimum benefit adjustments.
Sec. 823. Prorated benefits on recertification.
Sec. 824. Optional combined allotment for expedited households.
Sec. 825. Failure to comply with other welfare or public assistance programs.
Sec. 826. Allotments for households residing in centers.

Sec. 827. Income, eligibility, and immigration status verification systems.
Sec. 828. Exchange of law enforcement information.
Sec. 829. Expedited coupon service.
Sec. 830. Withdrawing fair hearing requests.
Sec. 831. Collection of overissuances.
Sec. 832. Response to waivers.
Sec. 833. Simplified food stamp program.
Sec. 834. Authority to establish authorized periods.
Sec. 835. Specific period for prohibiting participation of stores based on lack of business integrity.
Sec. 836. Information for verifying eligibility for authorization.
Sec. 837. Waiting period for stores that initially fail to meet authorization criteria.
Sec. 838. Mandatory claims collection methods.
Sec. 839. Bases for suspensions and disqualifications.
Sec. 840. Disqualification of stores pending judicial and administrative review.
Sec. 841. Disqualification of retailers who are disqualified under the wic program.
Sec. 842. Permanent debarment of retailers who intentionally submit falsified applications.
Sec. 843. Criminal forfeiture.
Sec. 844. Effective date.

Subtitle B—Child Nutrition Programs

Sec. 851. Reimbursement rate adjustments.
Sec. 852. Direct Federal expenditures.
Sec. 853. Improved targeting of day care home reimbursements.
Sec. 854. Elimination of startup and expansion grants.
Sec. 855. Authorization of appropriations.

TITLE IX—SOCIAL SERVICES BLOCK GRANT; EITC; CHILD ABUSE PREVENTION AND TREATMENT

Subtitle A—Reduction in Block Grants to States for Social Services

Sec. 901. Reduction in block grants to States for social services.

Subtitle B—Reform of Earned Income Credit

Sec. 911. Earned income credit and other tax benefits denied to individuals failing to provide taxpayer identification numbers.
Sec. 912. Rules relating to denial of earned income credit on basis of disqualified income.
Sec. 913. Modification of adjusted gross income definition for earned income credit.

Subtitle C—Child Abuse Prevention and Treatment

Sec. 921. Short title.
Sec. 922. Reference.
Sec. 923. Findings.
Sec. 924. Office of Child Abuse and Neglect.
Sec. 925. Advisory Board on Child Abuse and Neglect.
Sec. 926. Repeal of interagency task force.
Sec. 927. National clearinghouse for information relating to child abuse.
Sec. 928. Research, evaluation and assistance activities.
Sec. 929. Grants for demonstration programs.
Sec. 930. State grants for prevention and treatment programs.
Sec. 931. Repeal.
Sec. 932. Miscellaneous requirements.
Sec. 933. Definitions.
Sec. 934. Authorization of appropriations.
Sec. 935. Rule of construction.
Sec. 936. Technical amendment.

Subtitle D—Community-Based Child Abuse and Neglect Prevention Grants

Sec. 941. Establishment of program.
Sec. 942. Repeals.

Subtitle E—Family Violence Prevention and Services

Sec. 951. Reference.
Sec. 952. State demonstration grants.
Sec. 953. Allotments.
Sec. 954. Authorization of appropriations.

Subtitle F—Adoption Opportunities

Sec. 961. Reference.
Sec. 962. Findings and purpose.
Sec. 963. Information and services.
Sec. 964. Authorization of appropriations.

Subtitle G—Abandoned Infants Assistance Act of 1986

Sec. 971. Reauthorization.

Subtitle H—Reauthorization of Various Programs

Sec. 981. Missing Children's Assistance Act.
Sec. 982. Victims of Child Abuse Act of 1990.

TITLE X—EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

Sec. 1001. Effective date.
Sec. 1002. Treatment of existing waivers.
Sec. 1003. Expedited waiver process.
Sec. 1004. County welfare demonstration project.
Sec. 1005. Work requirements for State of Hawaii.
Sec. 1006. Requirement that data relating to the incidence of poverty in the United States be published at least every 2 years.
Sec. 1007. Study by the Census Bureau.
Sec. 1008. Secretarial submission of legislative proposal for technical and conforming amendments.

**SEC. 3. AMENDMENT OF THE SOCIAL SECURITY ACT.**

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act.

## TITLE I—TEMPORARY EMPLOYMENT ASSISTANCE

**SEC. 101. STATE PLAN.**

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part A and inserting the following:

## "PART A—TEMPORARY EMPLOYMENT ASSISTANCE

**"SEC. 400. APPROPRIATION.**

''For the purpose of providing assistance to families with needy children and assisting parents of children in such families to obtain and retain private sector work to the extent possible, and public sector or volunteer work if necessary, through the Work First Employment Block Grant program (hereafter in this title referred to as the 'Work First program'), there is hereby authorized to be appropriated, and is hereby appropriated, for each fiscal year a sum sufficient to carry out the purposes of this part. The sums made available under this section shall be used for making payments to States which have approved State plans for temporary employment assistance.

### "Subpart 1—State Plans for Temporary Employment Assistance

**"SEC. 401. ELEMENTS OF STATE PLANS.**

''A State plan for temporary employment assistance shall provide a description of the State program which carries out the purpose described in section 400 and shall meet the requirements of the following sections of this subpart.

**"SEC. 402. FAMILY ELIGIBILITY FOR TEMPORARY EMPLOYMENT ASSISTANCE.**

''(a) IN GENERAL.—The State plan shall provide that any family—

''(1) with 1 or more children (or any expectant family, at the option of the State), defined as needy by the State; and

''(2) which fulfills the conditions set forth in subsection (b),

shall be eligible for cash assistance under the plan, except as otherwise provided under this part.

''(b) PARENT EMPOWERMENT CONTRACT.—The State plan shall provide that not later than 10 days after the approval of the application for temporary employment assistance, a parent qualifying for assistance shall execute a parent empowerment contract as described in section 403. If a child otherwise eligible for assistance under this part is residing with a relative other than a parent, the State plan may require the relative to execute such an empowerment contract as a condition of the family receiving such assistance.

''(c) LIMITATIONS ON ELIGIBILITY.—

''(1) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), the State plan shall provide that the family of an individual who has received assistance under the plan for the lesser of—

''(i) the period of time established at the option of the State; or

''(ii) 60 months (whether or not consecutive),

shall no longer be eligible for cash assistance under the plan.

''(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State plan, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

''(i) a minor child; and

''(ii) not the head of a household or married to the head of a household.

''(C) HARDSHIP EXCEPTION.—

''(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

''(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State plan.

''(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

''(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

''(II) sexual abuse;

''(III) sexual activity involving a dependent child;

''(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

''(V) threats of, or attempts at, physical or sexual abuse;

''(VI) mental abuse, including threats, intimidation, acts designed to induce terror, or restraints of liberty; or

''(VII) neglect or deprivation of medical care.

''(2) EFFECTS OF DENIAL OF CASH ASSISTANCE.—

''(A) PROVISION OF SAFETY NET ASSISTANCE.—In the event that a family is denied cash assistance because of a time limit imposed under paragraph (1), a State shall provide safety net assistance for any child in the family, in accordance with subparagraph (C).

''(B) OTHER ASSISTANCE.—The—

''(i) eligibility of a family that receives safety net assistance under subparagraph (A) for any other Federal or federally assisted program based on need, shall be determined without regard to such assistance; and

''(ii) such a family shall be considered to be receiving cash assistance in the amount of the safety net assistance provided for purposes of determining the amount of any assistance provided to the family under any other such program.

''(C) SAFETY NET ASSISTANCE REQUIREMENTS.—Safety net assistance provided for a child in a family under subparagraph (A) shall be based on a State's assessment of the needs of such child and shall be provided through a voucher that is—

''(i) with respect to the amount of the voucher, determined on the same basis as the State would provide assistance under the State plan to such a family with 1 less individual;

''(ii) designed appropriately to pay third parties for shelter, goods, and services received by the child; and

''(iii) payable directly to such third parties.

''(3) TREATMENT OF INTERSTATE MIGRANTS.—The State plan may apply to a category of families the rules for such category under a plan of another State approved under this part, if a family in such category has moved to the State from the other State and has resided in the State for less than 12 months.

''(4) INDIVIDUALS ON OLD-AGE ASSISTANCE OR SSI INELIGIBLE FOR TEMPORARY EMPLOYMENT ASSISTANCE.—The State plan shall provide that no assistance shall be furnished any individual under the plan with respect to any period with respect to which such individual is receiving old-age assistance under the State plan approved under section 102 of title I or supplemental security income under title XVI, and such individual's assistance or income shall be disregarded in determining the eligibility of the family of such individual for temporary employment assistance.

''(5) CHILDREN FOR WHOM FEDERAL, STATE, OR LOCAL FOSTER CARE MAINTENANCE OR ADOPTION ASSISTANCE PAYMENTS ARE MADE.—A child with respect to whom foster care maintenance payments or adoption assistance payments are made under part E or under State or local law shall not, for the period for which such payments are made, be regarded as a needy child under this part, and such child's income and resources shall be disregarded in determining the eligibility of the family of such child for temporary employment assistance.

''(6) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—The State plan shall provide that no assistance will be furnished any individual under the plan during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made, a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits or services simultaneously from 2 or more States under programs that are funded under this part, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

''(7) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

''(A) IN GENERAL.—The State plan shall provide that no assistance will be furnished any individual under the plan for any period if during such period such individual is—

''(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(ii) violating a condition of probation or parole imposed under Federal or State law.

''(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Notwithstanding any other provision of law, the State plan shall provide that the State shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient of assistance under the plan, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

''(i) such recipient—

''(I) is described in clause (i) or (ii) of subparagraph (A); or

''(II) has information that is necessary for the officer to conduct the officer's official duties; and

''(ii) the location or apprehension of the recipient is within such officer's official duties.

''(d) DETERMINATION OF ELIGIBILITY.—

''(1) DETERMINATION OF NEED.—The State plan shall provide that the State agency take into consideration any income and resources of any individual the State determines should be considered in determining the need of the child or relative claiming temporary employment assistance.

''(2) RESOURCE AND INCOME DETERMINATION.—In determining the total resources and income of the family of any needy child, the State plan shall provide the following:

''(A) RESOURCES.—The State's resource limit, including a description of the policy determined by the State regarding any exclusion allowed for vehicles owned by family members, resources set aside for future needs of a child, individual development accounts, or other policies established by the State to encourage savings.

''(B) FAMILY INCOME.—The extent to which earned or unearned income is disregarded in determining eligibility for, and amount of, assistance.

''(C) CHILD SUPPORT.—The State's policy, if any, for determining the extent to which child support received in excess of $50 per month on behalf of a member of the family is disregarded in determining eligibility for, and the amount of, assistance.

''(D) CHILD'S EARNINGS.—The treatment of earnings of a child living in the home.

''(E) EARNED INCOME TAX CREDIT.—The State agency shall disregard any refund of Federal income taxes made to a family receiving temporary employment assistance by reason of section 32 of the Internal Revenue Code of 1986 (relating to earned income tax credit) and any payment made to such a family by an employer under section 3507 of such Code (relating to advance payment of earned income credit).

''(F) ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES FOR ALIEN RECIPIENTS.—The State agency shall determine the eligibility of an alien in accordance with the provisions of section 721 of the Work First Act of 1996.

''(3) VERIFICATION SYSTEM.—The State plan shall provide that information is requested and exchanged for purposes of income and eligibility verification in accordance with a State system which meets the requirements of section 1137.

''(e) PROVISIONS RELATING TO VICTIMS OF DOMESTIC VIOLENCE.—The State plan shall—

''(1) provide that the State has in effect provisions for victims of domestic violence receiving temporary employment assistance; and

''(2) provide that the State agency administering the plan approved under this part shall be responsible for assuring that—

''(A) adequate mechanisms are in place for screening and identifying recipients of such assistance who have been victims of domestic violence;

''(B) procedures are in place to refer such recipients to legal counseling and supportive services;

''(C) the time limit for receipt of such assistance imposed under subsection (c)(1) is tolled for recipients of such assistance who are seriously affected by domestic violence; and

''(D) other requirements imposed under the State plan such as residency requirements and child support cooperation requirements will be waived in any case where imposing such requirements would make it more difficult for a recipient of temporary employment assistance to escape domestic violence or would unfairly sanction a recipient victimized by, or at risk of, domestic violence.

**''SEC. 403. PARENT EMPOWERMENT CONTRACT.**

''(a) ASSESSMENT.—The State plan shall provide that the State agency, through a case manager, shall make an initial assessment of the skills, prior work experience, and employability of each parent who is applying for temporary employment assistance under the plan, along with an assessment of the history of domestic violence (if any) of such parent.

''(b) PARENT EMPOWERMENT CONTRACTS.—On the basis of the assessment made under subsection (a) with respect to each parent, the case manager, in consultation with the parent or parents of a family (hereafter in this title referred to as the 'client'), shall develop a parent empowerment contract for the client, which meets the following requirements:

''(1) Sets forth the obligations of the client, including 1 or more of the following:

''(A) Search for a job.

''(B) Engage in work-related activities to help the client become and remain employed in the private sector.

''(C) Attend school, if necessary, and maintain certain grades and attendance.

''(D) Participate in counseling, safety-related, and legal activities, and supportive services related to the client's experience of domestic violence.

''(E) Keep school age children of the client in school.

''(F) Immunize children of the client.

''(G) Attend parenting and money management classes.

''(H) Any other appropriate activity, at the option of the State.

''(2) To the greatest extent possible, is designed to move the client as quickly as possible into whatever type and amount of work as the client is capable of handling, and to increase the responsibility and amount of work over time until the client is able to work full-time.

''(3) Provides for participation by the client in job search activities for the first 2 months after the application for temporary employment assistance under the State plan, unless the client is already working at least 20 hours per week.

''(4) If necessary to provide the client with support and skills necessary to obtain and keep employment in the private sector, provides for job counseling or other services, and, if additionally necessary, education or training through the Work First program under part F.

''(5) Provides that the client shall accept any bona fide offer of unsubsidized full-time employment, unless the client has good cause for not doing so.

''(6) At the option of the State, provides that the client undergo appropriate substance abuse treatment.

''(7) Provides that the client—

''(A) assign to the State any rights to support from any other person the client may have in such client's own behalf or in behalf of any other family member for whom the client is applying for or receiving assistance; and

''(B) cooperate with the State—

''(i) in establishing the paternity of a child born out of wedlock with respect to whom assistance is claimed, and

''(ii) in obtaining support payments for such client and for a child with respect to whom such assistance is claimed, or in obtaining any other payments or property due such client or such child, unless (in either case) such client is found to have good cause for refusing to cooperate as determined by the State agency in accordance with standards prescribed by the Secretary. Such standards shall take into consideration the best interests of the child on whose behalf assistance is claimed, and shall provide that good cause shall include the reasonable fear of a recipient for her own safety or the safety of a family member where the putative child support obligee has committed domestic violence against the recipient or a family member in the past.

''(c) PENALTIES FOR NONCOMPLIANCE WITH PARENT EMPOWERMENT CONTRACT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the following penalties shall apply:

''(A) PROGRESSIVE REDUCTIONS IN ASSISTANCE FOR 1ST AND 2ND ACTS OF NONCOMPLIANCE.—

''(i) IN GENERAL.—The State plan shall provide that the amount of temporary employment assistance otherwise payable under the plan to a family that includes a client who, with respect to a parent empowerment contract signed by the client, commits an act of noncompliance without good cause, shall be reduced by—

''(I) 33 percent for the 1st such act of noncompliance; or

''(II) 66 percent for the 2nd such act of noncompliance.

''(ii) GOOD CAUSE.—Good cause for noncompliance of a parent empowerment contract shall include a determination that a recipient fears for her own safety or the safety of a family member where the recipient or family member has been the victim of domestic violence and reasonably believes that acceptance of employment would put her or her family at future risk, and is temporarily unable to fulfill her employment obligations due to legal and court obligations associated with seeking remedies for domestic violence.

''(B) DENIAL OF ASSISTANCE FOR 3RD AND SUBSEQUENT ACTS OF NONCOMPLIANCE.—The State plan shall provide that in the case of the 3rd or subsequent such act of noncompliance, the family of which the client is a member shall not thereafter be eligible for temporary employment assistance under the State plan.

''(C) LENGTH OF PENALTIES.—The penalty for an act of noncompliance shall not exceed the greater of—

''(i) in the case of—

''(I) the 1st act of noncompliance, 1 month,

''(II) the 2nd act of noncompliance, 3 months, or

''(III) the 3rd or subsequent act of noncompliance, 6 months; or

''(ii) the period ending with the cessation of such act of noncompliance.

''(D) DENIAL OF TEMPORARY EMPLOYMENT ASSISTANCE TO ADULTS REFUSING TO ACCEPT A BONA FIDE OFFER OF EMPLOYMENT.—The State plan shall provide that if an unemployed individual who has attained 18 years of age refuses to accept a bona fide offer of employment without good cause, such act of noncompliance shall be considered a 3rd or subsequent act of noncompliance.

''(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State plan based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 6 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

''(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

''(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

''(C) Unavailability of appropriate and affordable formal child care arrangements.

''(3) STATE FLEXIBILITY.—The State plan may provide for different penalties than those specified in paragraph (1).

**''SEC. 404. PAYMENT OF ASSISTANCE.**

''(a) STANDARDS OF ASSISTANCE.—The State plan shall specify standards of assistance, including—

''(1) the composition of the unit for which assistance will be provided;

''(2) a standard, expressed in money amounts, to be used in determining the need of applicants and recipients;

''(3) a standard, expressed in money amounts, to be used in determining the amount of the assistance payment; and

''(4) the methodology to be used in determining the payment amount received by assistance units.

''(b) LEVEL OF ASSISTANCE.—The State plan shall provide that the determination of need and the amount of assistance for all applicants and recipients shall be made on an objective and equitable basis.

''(c) STATE OPTION TO DENY ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

''(1) GENERAL RULE.—At the option of a State, the State plan may provide that no additional cash assistance be provided for a minor child who is born to—

''(A) a recipient of temporary employment assistance under the plan; or

''(B) an individual who received such assistance at any time during the 10-month period ending with the birth of the child.

''(2) EXCEPTION FOR VOUCHERS.—If a State exercises the option under paragraph (1), the State may provide vouchers, in lieu of the cash assistance not provided, to be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

''(3) EXCEPTION FOR RAPE OR INCEST.—Paragraph (1) shall not apply with respect to a child who is born as a result of rape or incest.

''(d) CORRECTION OF PAYMENTS.—The State plan shall provide that the State agency will promptly take all necessary steps to correct any overpayment or underpayment of assistance under such plan, including the request for Federal tax refund intercepts as provided under section 417.

**''SEC. 405. PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION AND CHILD CARE.**

''(a) INFORMATION.—The State plan shall provide for the dissemination of information to all applicants for and recipients of temporary employment assistance under the plan about all available services under the State plan for which such applicants and recipients are eligible.

''(b) CHILD CARE DURING JOB SEARCH, WORK, OR PARTICIPATION IN WORK FIRST.—The State plan shall provide that the State agency shall guarantee child care assistance for each family that is receiving temporary employment assistance and that has a needy child requiring such care, to the extent that such care is determined by the State agency to be necessary for an individual in the family to participate in job search activities, to work, or to participate in the Work First program.

**''SEC. 406. OTHER PROGRAMS.**

''(a) WORK FIRST.—The State plan shall provide that the State has in effect and operation a Work First program that meets the requirements of part F.

''(b) STATE CHILD SUPPORT AGENCY.—The State plan shall—

''(1) provide that the State has in effect a plan approved under part D and operates a child support program in substantial compliance with such plan;

''(2) provide that the State agency administering the plan approved under this part shall be responsible for assuring that—

''(A) the benefits and services provided under plans approved under this part and part D are furnished in an integrated manner, including coordination of intake procedures with the agency administering the plan approved under part D;

''(B) all applicants for, and recipients of, temporary employment assistance are encouraged, assisted, and required (as provided under section 403(b)(7)(B)) to cooperate in the establishment and enforcement of paternity and child support obligations and are notified about the services available under the State plan approved under part D (consistent with the good cause exception for noncooperation under such section in a case involving a recipient with a reasonable fear of domestic violence); and

''(C) procedures require referral of paternity and child support enforcement cases to the agency administering the plan approved under part D not later than 10 days after the application for temporary employment assistance; and

''(3) provide for prompt notice (including the transmittal of all relevant information) to the State child support collection agency established pursuant to part D of the furnishing of temporary employment assistance with respect to a child who has been deserted or abandoned by a parent (including a child born out-of-wedlock without regard to whether the paternity of such child has been established).

''(c) CHILD WELFARE SERVICES AND FOSTER CARE AND ADOPTION ASSISTANCE.—The State plan shall provide that the State has in effect—

''(1) a State plan for child welfare services approved under part B; and

''(2) a State plan for foster care and adoption assistance approved under part E,

and operates such plans in substantial compliance with the requirements of such parts.

''(d) REPORT OF CHILD ABUSE, ETC.—The State plan shall provide that the State agency will—

''(1) report to an appropriate agency or official, known or suspected instances of physical or mental injury, sexual abuse or exploitation, or negligent treatment or maltreatment of a child receiving assistance under the State plan under circumstances which indicate that the child's health or welfare is threatened thereby; and

''(2) provide such information with respect to a situation described in paragraph (1) as the State agency may have.

''(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY PROGRAMS.—The State plan shall provide for the development of a program—

''(1) to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

''(A) avoid subsequent pregnancies, and

''(B) provide adequate care to their children; and

''(2) to reduce teenage pregnancy, which may include, at the option of the State, providing education and counseling to male and female teenagers.

''(f) AVAILABILITY OF ASSISTANCE IN RURAL AREAS OF STATE.—The State plan shall consider and address the needs of rural areas in the State to ensure that families in such areas receive assistance to become self-sufficient.

''(g) FAMILY PRESERVATION.—

''(1) IN GENERAL.—The State plan shall describe the efforts by the State to promote family preservation and stability, including efforts—

''(A) to encourage fathers to stay home and be a part of the family;

''(B) to keep families together to the extent possible; and

''(C) except to the extent provided in paragraph (2), to treat 2-parent families and 1-parent families equally with respect to eligibility for assistance.

''(2) MAINTENANCE OF TREATMENT.—The State may impose eligibility limitations relating specifically to 2-parent families to the extent such limitations are no more restrictive than such limitations in effect in the State plan in fiscal year 1995.

**''SEC. 407. ADMINISTRATIVE REQUIREMENTS FOR STATE PLAN.**

''(a) STATEWIDE PLAN.—The State plan shall be in effect in all political subdivisions of the State, and, if administered by the subdivisions, be mandatory upon such subdivisions. If such plan is not administered uniformly throughout the State, the plan shall describe the administrative variations.

''(b) SINGLE ADMINISTRATING AGENCY.—The State plan shall provide for the establishment or designation of a single State agency to administer the plan or supervise the administration of the plan.

''(c) FINANCIAL PARTICIPATION.—The State plan shall provide for financial participation by the State in the same manner and amount as such State participates under title XIX, except that with respect to the sums expended for the administration of the State plan, the percentage shall be 50 percent.

''(d) REASONABLE PROMPTNESS.—The State plan shall provide that all individuals wishing to make application for temporary employment assistance shall have opportunity to do so, and that such assistance be furnished with reasonable promptness to all eligible individuals.

''(e) FAIR HEARING.—The State plan shall provide for granting an opportunity for a fair hearing before the State agency to any individual—

''(1) whose claim for temporary employment assistance is denied or is not acted upon with reasonable promptness; or

''(2) whose assistance is reduced or terminated.

''(f) AUTOMATED DATA PROCESSING SYSTEM.—The State plan shall, at the option of the State, provide for the establishment and operation of an automated statewide management information system designed effectively and efficiently, to assist management in the administration of the State plan approved under this part, so as—

''(1) to control and account for—

''(A) all the factors in the total eligibility determination process under such plan for assistance, and

''(B) the costs, quality, and delivery of payments and services furnished to applicants for and recipients of assistance; and

''(2) to notify the appropriate officials for child support, food stamp, and social service programs, and the medical assistance program approved under title XIX, whenever a recipient becomes ineligible for such assistance or the amount of assistance provided to a recipient under the State plan is changed.

''(g) DISCLOSURE OF INFORMATION.—The State plan shall provide for safeguards which restrict the use or disclosure of information concerning applicants or recipients.

''(h) DETECTION OF FRAUD.—The State plan shall provide, in accordance with regulations issued by the Secretary, for appropriate measures to detect fraudulent applications for temporary employment assistance before the establishment of eligibility for such assistance.

**''Subpart 2—Administrative Provisions**

**''SEC. 411. APPROVAL OF PLAN.**

''(a) IN GENERAL.—The Secretary shall approve a State plan which fulfills the requirements under subpart 1 within 120 days of the submission of the plan by the State to the Secretary.

''(b) DEEMED APPROVAL.—If a State plan has not been rejected by the Secretary during the period specified in subsection (a), the plan shall be deemed to have been approved.

**''SEC. 412. COMPLIANCE.**

''In the case of any State plan for temporary employment assistance which has been approved under section 411, if the Secretary, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of such plan, finds that in the administration of the plan there is a failure to comply substantially with any provision required by subpart 1 to be included in the plan, the Secretary shall notify such State agency that further payments will not be made to the State (or in the Secretary's discretion, that payments will be limited to categories under or parts of the State plan not affected by such failure) until the Secretary is satisfied that such prohibited requirement is no longer so imposed, and that there is no longer any such failure to comply. Until the Secretary is so satisfied the Secretary shall make no further payments to such State (or shall limit payments to categories under or parts of the State plan not affected by such failure).

**''SEC. 413. PAYMENTS TO STATES.**

''(a) COMPUTATION OF AMOUNT.—Subject to section 412, from the sums appropriated therefor, the Secretary of the Treasury shall pay to each State which has an approved plan for temporary employment assistance, for each quarter, beginning with the quarter commencing October 1, 1996, an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) of the expenditures by the State under such plan.

''(b) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying such amounts shall be as follows:

''(1) The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under the provisions of subsection (a), such estimate to be based on—

''(A) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such subsection and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived;

''(B) records showing the number of needy children in the State; and

''(C) such other information as the Secretary may find necessary.

''(2) The Secretary of Health and Human Services shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary of Health and Human Services—

''(A) reduced or increased, as the case may be, by any sum by which the Secretary of Health and Human Services finds that the estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter;

''(B) reduced by a sum equivalent to the pro rata share to which the Federal Government is equitably entitled, as determined by the Secretary of Health and Human Services, of the net amount recovered during any prior quarter by the State or any political subdivision thereof with respect to temporary employment assistance furnished under the State plan; and

''(C) reduced by such amount as is necessary to provide the appropriate reimbursement to the Federal Government that the State is required to make under section 457 out of that portion of child support collections retained by the State pursuant to such section,

except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary of Health and Human Services for such prior quarter.

''(c) METHOD OF PAYMENT.—The Secretary of the Treasury shall thereupon, through the Fiscal Service of the Department of the Treasury and prior to audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

**''SEC. 414. QUALITY ASSURANCE, DATA COLLECTION, AND REPORTING SYSTEM.**

''(a) QUALITY ASSURANCE.—

''(1) IN GENERAL.—Under the State plan, a quality assurance system shall be developed based upon a collaborative effort involving the Secretary, the State, the political subdivisions of the State, and assistance recipients, and shall include quantifiable program outcomes related to self sufficiency in the categories of welfare-to-work, payment accuracy, and child support.

''(2) MODIFICATIONS TO SYSTEM.—As deemed necessary, but not more often than every 2 years, the Secretary, in consultation with the State, the political subdivisions of the State, and assistance recipients, shall make appropriate changes in the design and administration of the quality assurance system, including changes in benchmarks, measures, and data collection or sampling procedures.

''(b) DATA COLLECTION AND REPORTING.—

''(1) IN GENERAL.—The State plan shall provide for a quarterly report to the Secretary regarding the data described in paragraphs (2) and (3) and such additional data needed for the quality assurance system. The data collection and reporting system under this subsection shall promote accountability, continuous improvement, and integrity in the State plans for temporary employment assistance and Work First.

''(2) DISAGGREGATED DATA.—The State shall collect the following data items on a monthly basis from disaggregated case records of applicants for and recipients of temporary employment assistance from the previous month:

''(A) The age of adults and children (including pregnant women).

''(B) Marital or familial status of cases: married (2-parent family), widowed, divorced, separated, or never married; or child living with other adult relative.

''(C) The gender, race, educational attainment, work experience, disability status (whether the individual is seriously ill, incapacitated, or caring for a disabled or incapacitated child) of adults.

''(D) The amount of cash assistance and the amount and reason for any reduction in such assistance. Any other data necessary to determine the timeliness and accuracy of benefits and welfare diversions.

''(E) Whether any member of the family receives benefits under any of the following:

''(i) Any housing program.

''(ii) The food stamp program under the Food Stamp Act of 1977.

''(iii) The Head Start programs carried out under the Head Start Act.

''(iv) Any job training program.

''(F) The number of months since the most recent application for assistance under the plan.

''(G) The total number of months for which assistance has been provided to the families under the plan.

''(H) The employment status, hours worked, and earnings of individuals while receiving assistance, whether the case was closed due to employment, and other data needed to meet the work performance rate.

''(I) Status in Work First and workfare, including the number of hours an individual participated and the component in which the individual participated.

''(J) The number of persons in the assistance unit and their relationship to the youngest child. Nonrecipients in the household and their relationship to the youngest child.

''(K) Citizenship status.

''(L) Shelter arrangement.

''(M) Unearned income (not including temporary employment assistance), such as child support, and assets.

''(N) The number of children who have a parent who is deceased, incapacitated, or unemployed.

''(O) Geographic location.

''(P) The number of adults and children receiving assistance who are current or past victims of domestic violence, and the number of recipients participating in programs addressing the effects of domestic violence.

''(3) AGGREGATED DATA.—The State shall collect the following data items on a monthly basis from aggregated case records of applicants for and recipients of temporary employment assistance from the previous month:

''(A) The number of adults receiving assistance.

''(B) The number of children receiving assistance.

''(C) The number of families receiving assistance.

''(D) The number of assistance units who had their grants reduced or terminated and the reason for the reduction or termination, including sanction, employment, and meeting the time limit for assistance).

''(E) The number of applications for assistance; the number approved and the number denied and the reason for denial.

''(4) LONGITUDINAL STUDIES.—The State shall submit selected data items for a cohort of individuals who are tracked over time. This longitudinal sample shall be used for selected data items described in paragraphs (2) and (3), as determined appropriate by the Secretary.

''(c) ADDITIONAL DATA.—The report required by subsection (b) for a fiscal year quarter shall also include the following:

''(1) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—A statement of—

''(A) the percentage of the Federal funds paid to the State under this part for the fiscal year quarter that are used to cover administrative costs or overhead; and

''(B) the total amount of State funds that are used to cover such costs or overhead.

''(2) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—A statement of the total amount expended by the State during the fiscal year quarter on programs for needy families, with the amount spent on the program under this part, and the purposes for which such amount was spent, separately stated.

''(3) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The number of noncustodial parents in the State who participated in work activities during the fiscal year quarter.

''(4) REPORT ON CHILD SUPPORT COLLECTED.—The total amount of child support collected by the State agency administering the State plan under part D on behalf of a family receiving assistance under this part.

''(5) REPORT ON CHILD CARE.—The total amount expended by the State for child care under this part, along with a description of the types of child care provided, such as child care provided in the case of a family that has ceased to receive assistance under this part because of increased hours of, or increased income from, employment, or in the case of a family that is not receiving assistance under this part but would be at risk of becoming eligible for such assistance if child care was not provided.

''(6) REPORT ON TRANSITIONAL SERVICES.—The total amount expended by the State for providing transitional services to a family that has ceased to receive assistance under this part because of increased hours of, or increased income from, employment, along with a description of such services.

''(d) COLLECTION PROCEDURES.—The Secretary shall provide case sampling plans and data collection procedures as deemed necessary to make statistically valid estimates of plan performance.

''(e) VERIFICATION.—The Secretary shall develop and implement procedures for verifying the quality of the data submitted by the State, and shall provide technical assistance, funded by the compliance penalties imposed under section 412, if such data quality falls below acceptable standards.

**''SEC. 415. COMPILATION AND REPORTING OF DATA.**

''(a) CURRENT PROGRAMS.—The Secretary shall, on the basis of the Secretary's review of the reports received from the States under section 414, compile such data as the Secretary believes necessary, and from time to time, publish the findings as to the effectiveness of the programs developed and administered by the States under this part. The Secretary shall annually report to the Congress on the programs developed and administered by each State under this part.

''(b) RESEARCH, DEMONSTRATION AND EVALUATION.—Of the amount specified under section 413(a), an amount equal to .25 percent is authorized to be expended by the Secretary to support the following types of research, demonstrations, and evaluations:

''(1) STATE-INITIATED RESEARCH.—States may apply for grants to cover 90 percent of the costs of self-evaluations of programs under State plans approved under this part.

''(2) DEMONSTRATIONS.—

''(A) IN GENERAL.—The Secretary may implement and evaluate demonstrations of innovative and promising strategies to—

''(i) improve child well-being through reductions in illegitimacy, teen pregnancy, welfare dependency, homelessness, and poverty;

''(ii) test promising strategies by nonprofit and for-profit institutions to increase employment, earning, child support payments, and self-sufficiency with respect to temporary employment assistance clients under State plans; and

''(iii) foster the development of child care.

''(B) ADDITIONAL PARAMETERS.—Demonstrations implemented under this paragraph—

''(i) may provide one-time capital funds to establish, expand, or replicate programs;

''(ii) may test performance-based grant to loan financing in which programs meeting performance targets receive grants while programs not meeting such targets repay funding on a pro-rated basis; and

''(iii) should test strategies in multiple States and types of communities.

''(3) FEDERAL EVALUATIONS.—

''(A) IN GENERAL.—The Secretary shall conduct research on the effects, benefits, and costs of different approaches to operating welfare programs, including an implementation study based on a representative sample of States and localities, documenting what policies were adopted, how such policies were implemented, the types and mix of services provided, and other such factors as the Secretary deems appropriate.

''(B) RESEARCH ON RELATED ISSUES.—The Secretary shall also conduct research on issues related to the purposes of this part, such as strategies for moving welfare recipients into the workforce quickly, reducing teen pregnancies and out-of-wedlock births, and providing adequate child care.

''(C) STATE REIMBURSEMENT.—The Secretary may reimburse a State for any research-related costs incurred pursuant to research conducted under this paragraph.

''(D) USE OF RANDOM ASSIGNMENT.—Evaluations authorized under this paragraph should use random assignment to the maximum extent feasible and appropriate.

''(4) REGIONAL INFORMATION CENTERS.—

''(A) IN GENERAL.—The Secretary shall establish not less than 5, nor more than 7 regional information centers located at major research universities or consortiums of universities to ensure the effective implementation of welfare reform and the efficient dissemination of information about innovations, evaluation outcomes, and training initiatives.

''(B) CENTER RESPONSIBILITIES.—The Centers shall have the following functions:

''(i) Disseminate information about effective income support and related programs, along with suggestions for the replication of such programs.

''(ii) Research the factors that cause and sustain welfare dependency and poverty in the regions served by the respective centers.

''(iii) Assist the States in the region formulate and implement innovative programs and improvements in existing programs that help clients move off welfare and become productive citizens.

''(iv) Provide training as appropriate to staff of State agencies to enhance the ability of the agencies to successfully place Work First clients in productive employment or self-employment.

''(C) CENTER ELIGIBILITY TO PERFORM EVALUATIONS.—The Centers may compete for demonstration and evaluation contracts developed under this section.

**''SEC. 416. COLLECTION OF OVERPAYMENTS FROM FEDERAL TAX REFUNDS.**

''(a) IN GENERAL.—Upon receiving notice from a State agency administering a plan approved under this part that a named individual has been overpaid under the State plan approved under this part, the Secretary of the Treasury shall determine whether any

amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether such individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

''(b) REGULATIONS.—The Secretary of the Treasury shall issue regulations, approved by the Secretary of Health and Human Services, that provide—

''(1) that a State may only submit under subsection (a) requests for collection of overpayments with respect to individuals—

''(A) who are no longer receiving temporary employment assistance under the State plan approved under this part,

''(B) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved; and

''(C) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

''(2) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under subsection (a); and

''(3) the procedures that the State and the Secretary of the Treasury will follow in carrying out this section which, to the maximum extent feasible and consistent with the specific provisions of this section, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.''.

(b) PAYMENTS TO PUERTO RICO.—Section 1108(a)(1) (42 U.S.C. 1308(a)(1)) is amended—

(1) in subparagraph (F), by striking ''or''; and

(2) by striking subparagraph (G) and inserting the following:

''(G) $82,000,000 with respect to each of fiscal years 1989 through 1995, or

''(H) $102,500,000 with respect to the fiscal year 1996 and each fiscal year thereafter;''.

(c) CONFORMING AMENDMENTS RELATING TO COLLECTION OF OVERPAYMENTS.—

(1) Section 6402 of the Internal Revenue Code of 1986 (relating to authority to make credits or refunds), as amended by section 561(a), is amended—

(A) in subsection (a), by striking ''(c) and (d)'' and inserting ''(c), (d), and (e)'';

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

''(g) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 417 of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).''.

(2) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking ''section 464 or 1137 of the Social Security Act'' and inserting ''section 417, 464, or 1137 of the Social Security Act.''

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(2) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the requirements imposed by the amendment made by subsection (a), the State shall not be regarded as failing to comply with the requirements of such amendment before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this paragraph, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

(3) LIMITATION ON OBLIGATION AUTHORITY UNDER OLD PROGRAM.—The Secretary of Health and Human Services is not authorized to enter into any obligation with any State under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) (as in effect on the day before the date of the enactment of this Act) for expenses incurred under such a State plan under such part (as so in effect) on or after October 1, 1996.

## TITLE II—WORK FIRST EMPLOYMENT BLOCK GRANT

### SEC. 201. WORK FIRST EMPLOYMENT BLOCK GRANT.

(a) IN GENERAL.—Title IV (42 U.S.C. 601 et seq.) is amended by striking part F and inserting the following:

### "Part F—Work First Employment Block Grant Program

### "Subpart 1—Establishment and Operation of State Programs

#### "SEC. 481. GOALS OF THE WORK FIRST PROGRAM.

''The goals of a Work First program are as follows:

''(1) OBJECTIVE.—The objective of the program is for each adult receiving temporary employment assistance to find and hold full-time unsubsidized paid employment, and for this objective to be achieved in a cost-effective fashion.

''(2) STRATEGY.—The strategy of the program is to connect clients of temporary employment assistance with the private sector labor market as soon as possible and offer such clients the support and skills necessary to remain in the labor market. Each component of the program should emphasize employment and the understanding that minimum wage jobs are a stepping stone to more highly paid employment.

''(3) JOB CREATION.—The creation of jobs, with an emphasis on private sector jobs, through the options available under subpart 2, shall be a component of the block grant program and shall be a priority for each State office with responsibilities under the program.

''(4) FORMS OF ASSISTANCE.—The State shall provide assistance to clients in the program through a range of components, which may include job placement services (including vouchers for job placement services), work supplementation programs, temporary subsidized job creation, assistance in establishing microenterprises, job counseling services, or other work-related activities, to provide individuals with the support and skills necessary to obtain and keep employment in the private sector (including education and training, if necessary).

#### "SEC. 482. REQUIREMENT THAT RECIPIENTS ENTER THE WORK FIRST PROGRAM.

''(a) IN GENERAL.—Except as provided in subsection (b), the State may place in the Work First program—

''(1) clients of temporary employment assistance pursuant to the State plan approved under part A who have signed a parent empowerment contract as described in section 403(b); and

''(2) absent parents who are unemployed, on the condition that, once employed, such parents meet their child support obligations.

''(b) EXCEPTION.—A State may, at its option, not require an individual who is a single, custodial parent caring for a child under age 1 to engage in work.

''(c) NONDISPLACEMENT.—

''(1) IN GENERAL.—No funds provided under this Act shall be used in a manner that would result in—

''(A) the displacement of any currently employed worker (including partial displacement, such as a reduction in wages, hours of nonovertime work, or employment benefits), or the impairment of existing contracts for services or collective bargaining agreements; or

''(B) the employment or assignment of a client to fill a position when—

''(i) any other person is on layoff from the same or a substantially equivalent position; or

''(ii) the employer has terminated the employment of any other employee or otherwise reduced the employer's workforce in order to fill the vacancy so created with a client.

''(2) ENFORCING ANTI-DISPLACEMENT PROTECTIONS.—

''(A) GRIEVANCE PROCEDURE.—The State shall establish and maintain (pursuant to regulations issued by the Secretary of Labor) a grievance procedure for resolving complaints alleging violations of any of the prohibitions or requirements of paragraph (1). Such procedure shall include an opportunity for a hearing and shall be completed not later than 90 days from the date of the complaint, by which time the complainant shall be provided a written decision by the State. A decision of the State under such procedure, or a failure of a State to issue a decision not later than 90 days from such date, may be appealed to the Secretary of Labor, who shall investigate the allegations contained in the complaint and make a determination not later than 60 days from the date of the appeal as to whether a violation of such prohibitions or requirements has occurred. Remedies shall include termination or suspension of payments, prohibition of the placement of the client, reinstatement of an employee, and other relief to make an aggrieved employee whole.

''(B) OTHER LAWS OR CONTRACTS.—Nothing in subparagraph (A) shall be construed to prohibit a complainant from pursuing a remedy authorized under another Federal, State, or local law or a contract or collective bargaining agreement for a violation of any of the prohibitions or requirements of paragraph (1).

### "Subpart 2—Program Performance

#### "SEC. 485. WORK PERFORMANCE RATES; PERFORMANCE-BASED BONUSES.

''(a) WORK PERFORMANCE RATES.—

''(1) REQUIREMENT.—A State that operates a program under this part shall achieve a work performance rate for the following fiscal years of not less than the following percentages:

''(A) 20 percent for fiscal year 1997.

''(B) 25 percent for fiscal year 1998.

''(C) 30 percent for fiscal year 1999.

''(D) 35 percent for fiscal year 2000.

''(E) 40 percent for fiscal year 2001.

''(F) 50 percent for fiscal year 2002 or thereafter.

''(2) WORK PERFORMANCE RATE DEFINED.—

''(A) IN GENERAL.—As used in this subsection, the term 'work performance rate' means, with respect to a State and a fiscal year, an amount equal to—

''(i) the sum of the average monthly number of individuals eligible for temporary employment assistance under the State plan approved under part A who, during the fiscal year—

''(I) obtain employment in an unsubsidized job and cease to receive such temporary employment assistance to the extent allowed under subparagraph (B);

''(II) work 20 or more hours per week (or 30 hours, at the option of the State) in an unsubsidized job while still receiving such temporary employment assistance;

''(III) work 20 or more hours per week (or 30 hours, at the option of the State) in a subsidized job through the Work First program (other than through workfare or community service under section 493); or

''(IV) are parents under the age of 18 years (or 19 years, at the option of the State) in school and regularly attending classes obtaining the basic skills needed for work; divided by

''(ii) the average monthly number of families with parents eligible for such temporary employment assistance who, during the fiscal year, are not described in section 482(b).

''(B) SPECIAL RULES.—

''(i) INDIVIDUALS IN UNSUBSIDIZED JOBS.—For purposes of subparagraph (A)(i)(I), an individual shall be considered to be participating under a State plan approved under part A for each of the 1st 12 months (without regard to fiscal year) after an individual ceases to receive temporary employment assistance under such plan as the result of employment in an unsubsidized job and during which such individual does not reapply for such assistance.

''(ii) INDIVIDUALS IN WORK FIRST SUBSIDIZED JOBS.—For purposes of subparagraph (A)(i)(III), individuals in workfare or community service (as defined in section 493) may be counted if such individuals reside in areas—

''(I) with an unemployment rate exceeding 8 percent; or

''(II) with other circumstances deemed sufficient by the Secretary.

''(iii) DEEMED COMPLIANCE.—A State shall be deemed to have met the requirement in paragraph (1) if its work performance rate in a given fiscal year exceeds that of the prior fiscal year by 10 percentage points.

''(3) EFFECT OF FAILURE TO MEET WORK PERFORMANCE RATES.—If a State fails to achieve the work performance rate required by paragraph (1) for any fiscal year—

''(A) in the case of the 1st failure, the Secretary shall make recommendations for changes in the State Work First program to achieve future required work performance rates; and

''(B) in the case of the 2nd or subsequent failure—

''(i) the Secretary shall reduce by 10 percentage points (or less, at the discretion of the Secretary based on the degree of failure) the rate of Federal payments for the administrative expenses for the State plan approved under part A for the subsequent fiscal year;

''(ii) the Secretary shall make further recommendations for changes in the State Work First program to achieve future required work performance rates which the State may elect to follow; and

''(iii) the State shall demonstrate to the Secretary how the State shall achieve the required work performance rate for the subsequent fiscal year.

''(b) PERFORMANCE-BASED BONUSES.—

''(1) IN GENERAL.—In addition to any other payment under section 495, each State, beginning in fiscal year 1998, which has achieved its work performance rate for the fiscal year (as determined under subsection (a)) shall be entitled to receive a bonus in the subsequent fiscal year for each individual eligible for temporary employment assistance under the State plan approved under part A who is described in subsection (a)(2)(A)(i) in excess of the number of such individuals necessary to meet such work performance rate, but the aggregate of such bonuses for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (3) with respect to the State.

''(2) USE OF PAYMENTS.—Bonus payments under this subsection—

''(A) may be used to supplement, not supplant, State funding of Work First or child care activities; and

''(B) shall be used in a manner which rewards job retention.

''(3) LIMITATION.—

''(A) IN GENERAL.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (B) for such fiscal year as the average monthly number of adult recipients (as defined in section 495(a)(6)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

''(B) AMOUNT SPECIFIED.—The amount specified in this subparagraph is—

''(i) $200,000,000 for fiscal year 1998 rates payable in fiscal year 1999;

''(ii) $200,000,000 for fiscal year 1999 rates payable in fiscal year 2000;

''(iii) $200,000,000 for fiscal year 2000 rates payable in fiscal year 2001; and

''(iv) $200,000,000 for fiscal year 2001 rates payable in fiscal year 2002.

**''Subpart 3—Program Components**

**''SEC. 486. PROGRAM COMPONENTS.**

''(a) IN GENERAL.—Under the Work First program the State shall have the option to provide a wide variety of work-related activities to clients in the temporary employment assistance program under the State plan approved under part A, including job placement services (including vouchers for job placement services), work supplementation programs, temporary subsidized job creation, assistance in establishing microenterprises, and job counseling services described in this subpart.

''(b) JOB SEARCH ACTIVITIES.—Each client, who is not exempt from work requirements, shall begin Work First by participating in job search activities designed by the State for 2 months.

''(c) WORKFARE.—If, after 2 years, a client (who is not exempt from work requirements) who has signed a parent empowerment contract is not working at least 20 hours a week (within the meaning of section 485(a)(2)), or engaged in community service, then the State shall offer that client a workfare position, with minimum hours per week and tasks to be determined by the State.

''(d) COMMUNITY SERVICE.—Not later than 2 years after the date of the enactment of the Work First Act of 1996, each State should (and not later than 7 years after such date, each State shall) require a client who, after receiving assistance for 3 months—

''(1) is not exempt from work requirements; and

''(2) is not either—

''(A) working at least 20 hours a week (within the meaning of section 485(a)(2)); nor

''(B) engaged in an education or training program;

to participate in community service, with minimum hours per week and tasks to be determined by the State.

**''SEC. 487. JOB PLACEMENT; USE OF PLACEMENT COMPANIES.**

''(a) IN GENERAL.—The State through the Work First program may operate its own job placement assistance program or may establish a job placement voucher program under subsection (b).

''(b) JOB PLACEMENT VOUCHER PROGRAM.—A job placement voucher program established by a State under this subsection shall include the following requirements:

''(1) LIST OF ORGANIZATIONS MAINTAINED.—The State shall identify, maintain, and make available to a client a list of State-approved job placement organizations that offer services in the area where the client resides and a description of the job placement and support services each such organization provides. Such organizations may be publicly or privately owned and operated.

''(2) EXECUTION OF CONTRACT.—A client shall, at the time the client becomes eligible for temporary employment assistance—

''(A) receive the list and description described in paragraph (1);

''(B) agree, in exchange for job placement and support services, to—

''(i) execute, within a period of time permitted by the State, a contract with a State-approved job placement organization which provides that the organization shall attempt to find employment for the client; and

''(ii) comply with the terms of the contract; and

''(C) receive a job placement voucher (in an amount to be determined by the State) for payment to a State-approved job placement organization.

''(3) USE OF VOUCHER.—At the time a client executes a contract with a State-approved job placement organization, the client shall provide the organization with the job placement voucher that the client received pursuant to paragraph (2)(C).

''(4) REDEMPTION.—A State-approved job placement organization may redeem for payment from the State not more than 25 percent of the value of a job placement voucher upon the initial receipt of the voucher for payment of costs incurred in finding and placing a client in an employment position. The remaining value of such voucher shall not be redeemed for payment from the State until the State-approved job placement organization—

''(A) finds an employment position (as determined by the State) for the client who provided the voucher; and

''(B) certifies to the State that the client remains employed with the employer that the organization originally placed the client with for the greater of—

''(i) 6 continuous months; or

''(ii) a period determined by the State.

''(5) PERFORMANCE-BASED STANDARDS.—

''(A) IN GENERAL.—The State shall establish performance-based standards to evaluate the success of the State job placement voucher program operated under this subsection in achieving employment for clients participating in such voucher program. Such standards shall take into account the economic conditions of the State in determining the rate of success.

''(B) ANNUAL EVALUATION.—The State shall, not less than once a fiscal year, evaluate the job placement voucher program operated under this subsection in accordance with the performance-based standards established under subparagraph (A).

''(C) ANNUAL REPORT.—The State shall submit a report containing the results of an evaluation conducted under subparagraph (B) to the Secretary and a description of the performance-based standards used to conduct the evaluation in such form and under such conditions as the Secretary shall require. The Secretary shall review each report submitted under this subparagraph and may require the State to revise the performance-based standards if the Secretary determines

that the State is not achieving an adequate rate of success for such State.

**"SEC. 488. REVAMPED JOBS PROGRAM.**

''The State through the Work First program may operate a program similar to the program known as the 'GAIN Program' that has been operated by Riverside County, California, under Federal law as in effect immediately before the effective date of this subpart.

**"SEC. 489. TEMPORARY SUBSIDIZED JOB CREATION.**

''The State through the Work First program may establish a program similar to the program known as 'JOBS Plus' that has been operated by the State of Oregon under Federal law as in effect immediately before the effective date of this subpart.

**"SEC. 490. FAMILY INVESTMENT PROGRAM.**

''The State through the Work First program may establish a program similar to the program known as the 'Family Investment Program' that has been operated by the State of Iowa to move families off of welfare and into self-sufficient employment.

**"SEC. 491. MICROENTERPRISE.**

''(a) GRANTS AND LOANS TO NONPROFIT ORGANIZATIONS FOR THE PROVISION OF TECHNICAL ASSISTANCE, TRAINING, AND CREDIT TO LOW INCOME ENTREPRENEURS.—The State through the Work First program may make grants and loans to nonprofit organizations to provide technical assistance, training, and credit to low income entrepreneurs for the purpose of establishing microenterprises.

''(b) MICROENTERPRISE DEFINED.—For purposes of this section, the term 'microenterprise' means a commercial enterprise which has 5 or fewer employees, 1 or more of whom owns the enterprise.

**"SEC. 492. WORK SUPPLEMENTATION PROGRAM.**

''(a) IN GENERAL.—The State through the Work First program may institute a work supplementation program under which the State, to the extent it considers appropriate, may reserve the sums that would otherwise be payable to clients in the temporary employment assistance program under the State plan approved under part A and use the sums instead for the purpose of providing and subsidizing jobs for clients as an alternative to the temporary employment assistance that would otherwise be so payable to the clients.

''(b) SAMPLING METHODOLOGY PERMITTED.—In determining the amounts to be reserved and used for providing and subsidizing jobs under this section as described in subsection (a), the State may use a sampling methodology.

''(c) SUPPLEMENTED JOB.—For purposes of this section, a supplemented job is—

''(1) a job provided to an eligible client by the State or local agency administering the State plan under part A; or

''(2) a job provided to an eligible client by any other employer for which at least part of the wages are paid by the State or local agency.

A State may provide or subsidize under the program any job which the State determines to be appropriate.

''(d) COST LIMITATION.—The amount of the Federal payment to a State under section 413 for expenditures incurred in making payments to clients and employers under a work supplementation program under this section shall not exceed an amount equal to the amount which would otherwise be payable under such section 413 if the family of each client employed in the program established in the State under this section had received the maximum amount of temporary employment assistance payable under the State plan approved under part A to such a family with no income for the number of months in which the client was employed in the program.

''(e) WAGES ARE CONSIDERED EARNED INCOME.—Wages paid under a work supplementation program shall be considered to be earned income for purposes of any provision of law.

''(f) PRESERVATION OF MEDICAID ELIGIBILITY.—Any State that chooses to operate a work supplementation program under this section shall provide that any client who participates in the program, and any child or relative of the client (or other individual living in the same household as the client) who would be eligible for temporary employment assistance under the State plan approved under part A if the State did not have a work supplementation program, shall be considered individuals receiving temporary employment assistance under the State plan approved under part A for purposes of eligibility for medical assistance under the State plan approved under title XIX.

**"SEC. 493. WORKFARE AND COMMUNITY SERVICE.**

''(a) IN GENERAL.—A State through the Work First program may establish and carry out—

''(1) a workfare program in accordance with section 486(c); and

''(2) a community service program in accordance with section 486(d),

that meets the requirements of this section.

''(b) WORKFARE DEFINED.—For purposes of this section, the term 'workfare' means a job provided to a client by the State administering the State plan under part A with respect to which the client works in return for assistance under such plan and receives no wages.

''(c) COMMUNITY SERVICE DEFINED.—For purposes of this section, the term 'community service' means work of benefit to the community, such as volunteer work in schools and community organizations.

''(d) ASSISTANCE NOT CONSIDERED EARNED INCOME.—Assistance paid under a workfare program shall not be considered to be earned income for purposes of any provision of law.

''(e) USE OF PLACEMENT COMPANIES.—A State that establishes a workfare or community service program under this section may enter into contracts with private companies (whether operated for profit or not for profit) for the placement of clients in the program in positions of full-time employment, preferably in the private sector, for wages sufficient to eliminate the need of such clients for temporary employment assistance.

**"Subpart 4—Funding**

**"SEC. 495. FUNDING.**

''(a) FUNDING FOR WORK FIRST.—

''(1) IN GENERAL.—Each State that is operating a program in accordance with this part shall be entitled to payments under subsection (b) for any fiscal year in an amount equal to the sum of the applicable percentages (specified in such subsection) of its expenditures to carry out such program (subject to limitations prescribed by or pursuant to this part or this section on expenditures that may be included for purposes of determining payments under subsection (b)), but such payments for any fiscal year in the case of any State may not exceed the limitation determined under paragraph (2) with respect to the State.

''(2) LIMITATION.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in paragraph (3) for such fiscal year as the average monthly number of adult recipients (as defined in paragraph (6)) in the State in the preceding fiscal year bears to the average monthly number of such recipients in all the States for such preceding year.

''(3) AMOUNT SPECIFIED.—Subject to paragraphs (4) and (5), the amount specified in this paragraph is—

''(A) $1,010,000,000 for fiscal year 1997;

''(B) $1,100,000,000 for fiscal year 1998;

''(C) $1,330,000,000 for fiscal year 1999;

''(D) $1,520,000,000 for fiscal year 2000;

''(E) $1,870,000,000 for fiscal year 2001; and

''(F) $2,720,000,000 for fiscal year 2002.

''(4) INDIAN TRIBAL GOVERNMENTS.—

''(A) APPLICATION.—

''(i) IN GENERAL.—An Indian tribe or Alaska Native organization may apply at any time to the Secretary (in such manner as the Secretary prescribes) to conduct a Work First program.

''(ii) PARTICIPATION.—If a tribe or organization chooses to apply and the application is approved, such tribe or organization shall be entitled to a direct payment in the amount determined in accordance with the provisions of subparagraph (B) for each fiscal year beginning after such approval.

''(iii) NO PARTICIPATION.—If a tribe or organization chooses not to apply, the amount that would otherwise be available to such tribe or organization for the fiscal year shall be payable to the State in which that tribe or organization is located. Such amount shall be used by that State to provide Work First program services to the recipients living within that tribe or organization's jurisdiction.

''(iv) NO MATCH REQUIRED.—Indian tribes and Alaska Native organizations shall not be required to submit a monetary match to receive a payment under this paragraph.

''(B) PAYMENT AMOUNT.—

''(i) IN GENERAL.—The Secretary shall pay directly to each Indian tribe or Alaska Native organization conducting a Work First program for a fiscal year an amount which bears the same ratio to 3 percent of the amount specified under paragraph (3) for such fiscal year as the adult Indian or Alaska Native population receiving temporary employment assistance residing within the area to be served by the tribe or organization bears to the total of such adults receiving such assistance residing within all areas which any such tribe or organization could serve.

''(ii) ADJUSTMENTS.—The Secretary shall from time to time review the components of the ratios established in clause (i) to determine whether the individual payments under this paragraph continue to reflect accurately the distribution of population among the grantees, and shall make adjustments necessary to maintain the correct distribution of funding.

''(C) USE IN SUCCEEDING FISCAL YEAR.—A grantee under this paragraph may use not to exceed 20 percent of the amount for the fiscal year under subparagraph (B) to carry out the Work First program in the succeeding fiscal year.

''(D) VOLUNTARY TERMINATION.—An Indian tribe or Alaska Native organization may voluntarily terminate its Work First program. The amount under subparagraph (B) with respect to such program for the fiscal year shall be payable to the State in which that tribe or organization is located. Such amount shall be used by that State to provide Work First program services to the recipients living within that tribe or organization's jurisdiction. If a voluntary termination of a Work First program occurs under this subparagraph, the tribe or organization shall not be eligible to submit an application under this paragraph before the 6th year following such termination.

''(E) JOINT PROGRAMS.—An Indian tribe or Alaska Native organization may also apply to the Secretary jointly with 1 or more such tribes or organizations to administer a Work First program as a consortium. The Secretary shall establish such terms and conditions for such consortium as are necessary.

''(5) JOB CREATION.—Of the amount specified under paragraph (3), 5 percent shall be set aside by the Secretary for the program described in section 203(b) of the Work First Act of 1996.

''(6) DEFINITION.—For purposes of this subsection, the term 'adult recipient' in the case of any State means an individual other than a needy child (unless such child is the custodial parent of another needy child) whose needs are met (in whole or in part) with payments of temporary employment assistance.

''(b) STATE ALLOCATIONS.—

''(1) IN GENERAL.—The Secretary shall pay to each State that is operating a program in accordance with part F, with respect to expenditures by the State to carry out such program (including expenditures for child care under section 405(b), but only with respect to a State to which section 1108 applies), an amount equal to—

''(A) with respect to so much of such expenditures in a fiscal year as do not exceed the State's expenditures in the fiscal year 1987 with respect to which payments were made to such State from its allotment for such fiscal year pursuant to part C of this title as then in effect, 90 percent; and

''(B) with respect to so much of such expenditures in a fiscal year as exceed the amount described in subparagraph (A)—

''(i) 50 percent, in the case of expenditures for administrative costs (including costs of emergency assistance) made by a State in operating such program for such fiscal year (other than the costs of transportation and the personnel costs for case management staff employed full-time in the operation of such program); and

''(ii) the Federal medical assistance percentage (as defined in section 1905(b)), in the case of expenditures made by a State in operating such program for such fiscal year (other than for costs described in clause (i)).

''(2) FORM OF PAYMENT.—With respect to the amount for which payment is made to a State under paragraph (1)(A), the State's expenditures for the costs of operating such program may be in cash or in kind, fairly evaluated.

''(3) USE OF FUNDS.—A State may use amounts allocated under this subsection for all costs deemed necessary to assist program clients obtain and retain jobs, including emergency day care assistance or sick day care assistance, uniforms, eyeglasses, transportation, wage subsidies, and other employment-related special needs, as defined by the State. Such assistance may be provided through contract with community-based family resource programs under title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq.).''.

(b) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this subsection, the amendment made by subsection (a) shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(2) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the requirements imposed by the amendment made by subsection (a), the State shall not be regarded as failing to comply with the requirements of such amendment before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this paragraph, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

(3) STATE OPTION TO ACCELERATE APPLICABILITY.—If a State formally notifies the Secretary of Health and Human Services that the State desires to accelerate the applicability to the State of the amendment made by subsection (a), the amendment shall apply to the State on and after such earlier date as the State may select.

(4) AUTHORITY OF THE SECRETARY OF HEALTH AND HUMAN SERVICES TO DELAY APPLICABILITY TO A STATE.—Subject to the funding limitation described in paragraph (5), if a State formally notifies the Secretary of Health and Human Services that the State desires to delay the applicability to the State of the amendment made by subsection (a), the amendment (other than section 495 of such amendment) shall apply to the State on and after any later date agreed upon by the Secretary and the State.

(5) LIMITATION ON OBLIGATION AUTHORITY UNDER OLD PROGRAM.—The Secretary of Health and Human Services is not authorized to enter into any obligation with any State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.) (as in effect on the day before the date of the enactment of this Act) for expenses incurred under such a State plan under such part (as so in effect) on or after October 1, 1996.

**SEC. 202. CONSOLIDATION AND STREAMLINING OF SERVICES.**

(a) IN GENERAL.—Section 407, as added by section 101(a), is amended by adding at the end the following new subsections:

''(i) CHANGING THE WELFARE BUREAUCRACY.—

''(1) IN GENERAL.—The State plan may describe the State's efforts to streamline and consolidate activities to simplify the process of applying for a range of Federal and State assistance programs, including the use of—

''(A) 'one-stop offices' to coordinate the application process for individuals and families with low-incomes or limited resources and to ensure that applicants and recipients receive the information they need with regard to such range of programs; and

''(B) forms which are easy to read and understand or easily explained by State agency employees.

''(2) USE OF INCENTIVES.—The State plan may require the use of incentives (including Work First program funds) to change the culture of each State agency office with responsibilities under the State plan, to improve the performance of employees, and to ensure that the objective of each employee of each such State office is to find unsubsidized paid employment for each program client as efficiently and as quickly as possible.

''(3) CASEWORKER TRAINING AND RETRAINING.—The State plan may provide such training to caseworkers and related personnel as may be necessary to ensure successful job placements that result in full-time public or private employment (outside the State agencies with responsibilities under part A) for program clients.

''(j) COORDINATION OF SERVICES.—The State plan shall provide that the State agency may—

''(1) establish convenient locations in each community at which individuals and families with low-incomes or limited resources may apply for and (if appropriate) receive, directly or through referral to the appropriate provider, in appropriate languages and in a culturally sensitive manner—

''(A) temporary employment assistance under the State plan;

''(B) employment and education counseling;

''(C) job placement;

''(D) child care;

''(E) health care;

''(F) transportation assistance;

''(G) housing assistance;

''(H) child support services;

''(I) assistance under the National and Community Service Act of 1990 and the Domestic Volunteer Service Act of 1973;

''(J) unemployment insurance;

''(K) assistance under the Carl D. Perkins Vocational and Applied Technology Education Act;

''(L) assistance under the School-to-Work Opportunities Act of 1994;

''(M) assistance under Federal student loan programs;

''(N) assistance under the Job Training Partnership Act; and

''(O) other types of counseling and support services; and

''(2) assign to each recipient of assistance under the State plan, and to each applicant for such assistance, a case manager who—

''(A) is knowledgeable about community resources;

''(B) is qualified to refer the applicant or recipient to appropriate employment programs or education and training programs, or both, and needed health and social services; and

''(C) is required to coordinate the provision of benefits and services by the State to the applicant or recipient, until the applicant or recipient is no longer eligible for—

''(i) assistance under the State plan;

''(ii) child care guaranteed by the State in accordance with section 405(b); and

''(iii) medical assistance under the State plan approved under title XIX.''.

(b) TECHNICAL ASSISTANCE.—The Secretary of Health and Human Services shall provide technical assistance and training to States to assist the States in implementing effective management practices and strategies in order to make the operation of State offices described in section 407(i) of the Social Security Act (as added by subsection (a)) efficient and effective.

**SEC. 203. JOB CREATION.**

(a) GRANTS TO COMMUNITY-BASED ORGANIZATIONS.—

(1) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') may make grants in accordance with this subsection using funds described in paragraph (2), and, to the extent allowed by the States, Work First funds under part F of title IV of the Social Security Act, to community-based organizations that move clients of temporary employment assistance under a State plan approved under part A of title IV of the Social Security Act or under other public assistance programs into private sector work.

(2) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $25,000,000 for fiscal year 1996 and $50,000,000 for fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

(3) ELIGIBLE ORGANIZATIONS.—The Secretary shall award grants to community-based organizations that—

(A) may receive at least 5 percent of their funding from local government sources; and

(B) move clients referred to in paragraph (1) in the direction of unsubsidized private employment by integrating and co-locating at least 5 of the following services—

(i) case management;

(ii) job training;

(iii) child care;

(iv) housing;

(v) health care services;

(vi) nutrition programs;

(vii) life skills training; and

(viii) parenting skills.

(4) AWARDING OF GRANTS.—

(A) IN GENERAL.—The Secretary shall award grants based on the quality of applications, subject to subparagraphs (B) and (C).

(B) PREFERENCE IN AWARDING GRANTS.—In awarding grants under this subsection, the

Secretary shall give preference to organizations which receive more than 50 percent of their funding from State government, local government or private sources.

(C) DISTRIBUTION OF GRANT.—The Secretary shall award at least 1 grant to each State from which the Secretary received an application.

(D) LIMITATION ON SIZE OF GRANT.—The Secretary shall not award any grants under this subsection of more than $1,000,000.

(5) ISSUANCE OF REGULATIONS.—Not less than 6 months after the date of the enactment of this subsection, the Secretary shall prescribe such regulations as may be necessary to implement this subsection.

(b) GRANTS TO EXPAND THE NUMBER OF JOB OPPORTUNITIES AVAILABLE TO CERTAIN LOW-INCOME INDIVIDUALS.—

(1) IN GENERAL.—The Secretary shall enter into agreements with nonprofit organizations (including community development corporations) submitting applications under this subsection for the purpose of conducting projects in accordance with paragraph (2) and funded under section 495(a)(5) to create employment opportunities for certain low-income individuals.

(2) NATURE OF PROJECT.—

(A) IN GENERAL.—Each nonprofit organization conducting a project under this subsection shall provide technical and financial assistance to private employers in the community to assist such employers in creating employment and business opportunities for those individuals eligible to participate in the projects as described in this paragraph.

(B) NONPROFIT ORGANIZATIONS.—For purposes of this subsection, a nonprofit organization is any organization (including a community development corporation) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986 by reason of paragraph (3) or (4) of section 501(c) of such Code.

(C) ELIGIBLE LOW-INCOME INDIVIDUALS.—For purposes of this subsection, a low-income individual eligible to participate in a project conducted under this subsection is any individual eligible to receive temporary employment assistance under part A of title IV of the Social Security Act (as added by section 101 of this Act) and any other individual whose income level does not exceed 100 percent of the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section).

(3) CONTENT OF APPLICATIONS; SELECTION PRIORITY.—

(A) CONTENT OF APPLICATIONS.—Each nonprofit organization submitting an application under this subsection shall, as part of such application, describe—

(i) the technical and financial assistance that will be made available under the project conducted under this subsection;

(ii) the geographic area to be served by the project;

(iii) the percentage of low-income individuals (as described in paragraph (2)(C)) and individuals receiving temporary employment assistance under title IV of the Social Security Act (as so added) in the area to be served by the project; and

(iv) unemployment rates in the geographic areas to be served and (to the extent practicable) the jobs available and skills necessary to fill those vacancies in such areas.

(B) SELECTION PRIORITY.—In approving applications under this subsection, the Secretary shall give priority to applications proposing to serve those areas containing the highest percentage of individuals receiving temporary employment assistance under title IV of such Act (as so added).

(4) ADMINISTRATION.—Each nonprofit organization participating in a project conducted under this subsection shall provide assurances in its agreement with the Secretary that the organization has or will have a cooperative relationship with the agency responsible for administering the Work First program (as provided for under part F of title IV of the Social Security Act, as added by section 201 of this Act) in the area served by the project.

**SEC. 204. COMMUNITY STEERING COMMITTEES DEMONSTRATION PROJECTS.**

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall enter into agreements with not more than 5 States that submit an application under this section, in such form and such manner as the Secretary may specify, for the purpose of conducting a demonstration project described in subsection (b).

(b) DESCRIPTION OF PROJECT.—

(1) COMMUNITY STEERING COMMITTEES.—

(A) ESTABLISHMENT.—A demonstration project conducted under this section shall establish within a State in each participating county a Community Steering Committee that shall be designed to help recipients of temporary employment assistance who are parents move into the non-subsidized workforce and to develop a holistic approach to the development needs of such recipient's family.

(B) MEMBERSHIP.—A Community Steering Committee shall consist of local educators, business representatives, and social service providers.

(C) GOALS AND DUTIES.—

(i) GOALS.—The goals of a Community Steering Committee are—

(I) to ensure that recipients of temporary employment assistance who are parents obtain and retain unsubsidized employment; and

(II) to reduce the incidence of intergenerational receipt of welfare assistance by addressing the needs of children of recipients of temporary employment assistance.

(ii) DUTIES.—A Community Steering Committee shall—

(I) identify and create unsubsidized employment positions for recipients of temporary employment assistance;

(II) propose and implement solutions to barriers to unsubsidized employment of recipients of temporary employment assistance;

(III) assess the needs of children of recipients of temporary employment assistance; and

(IV) provide services that are designed to ensure that children of recipients of temporary employment assistance enter school ready to learn and that, once enrolled, such children stay in school.

(iii) PRIMARY RESPONSIBILITY.—A primary responsibility of a Community Steering Committee shall be to work on an ongoing basis with parents who are recipients of temporary employment assistance and who have obtained nonsubsidized employment in order to ensure that such recipients retain their employment. Activities to carry out this responsibility may include—

(I) counseling;

(II) emergency day care;

(III) sick day care;

(IV) transportation;

(V) provision of clothing;

(VI) housing assistance; or

(VII) any other assistance that may be necessary on an emergency and temporary basis to ensure that such parents can manage the responsibility of being employed and the demands of having a family.

(iv) FOLLOW-UP SERVICES FOR CHILDREN.—A Community Steering Committee may provide special follow-up services for children of recipients of temporary employment assistance that are designed to ensure that the children reach their fullest potential and do not, as they mature, receive welfare assistance as the head of their own household.

(2) FUNDING.—Notwithstanding the provisions of section 495(b)(1)(B)(i), a State county that has a Community Steering Committee shall receive reimbursement under such section for expenditures of the Committee in an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) for such State, plus 10 percentage points.

(c) REPORT.—Not later than October 1, 2001, the Secretary shall submit a report to the Congress on the results of the demonstration projects conducted under this section.

## TITLE III—SUPPORTING WORK

**SEC. 301. ELIGIBILITY FOR MEDICAID BENEFITS.**

(a) TRANSITIONAL ELIGIBILITY FOR CERTAIN CHILDREN.—

(1) IN GENERAL.—Part A of title IV, as added by section 101(a) is amended by adding at the end the following new section:

**''SEC. 417. TRANSITIONAL ELIGIBILITY FOR MEDICAID.**

''Each needy child, and each relative with whom such a child is living (including the spouse of such relative), who becomes ineligible for temporary employment assistance as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of this title, and who has received such assistance in at least 3 of the 6 months immediately preceding the month in which such ineligibility begins, shall be deemed to be a recipient of temporary employment assistance for purposes of title XIX for an additional 4 calendar months beginning with the month in which such ineligibility begins.''.

(2) EFFECTIVE DATE.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the amendment made by this section shall apply to calendar quarters beginning on or after October 1, 1996, without regard to whether final regulations to carry out such amendments have been promulgated by such date.

(B) WHEN STATE LEGISLATION IS REQUIRED.—In the case of a State plan for medical assistance under title XIX of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirements imposed by the amendments made by this section, the State plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet these additional requirements before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(b) CONTINUED APPLICATION OF CURRENT STANDARDS UNDER THE MEDICAID PROGRAM.—

(1) IN GENERAL.—Title XIX of the Social Security Act is amended—

(A) by redesignating section 1931 as section 1932; and

(B) by inserting after section 1930 the following new section:

''CONTINUED APPLICATION OF CERTAIN METHODOLOGY AND STANDARDS

''SEC. 1931. (a) APPLICATION TO THIS TITLE.—

''(1) IN GENERAL.—For purposes of applying this title on and after October 1, 1996, notwithstanding any other provision of this Act but subject to subsection (b), with respect to a State—

''(A) except as provided in subparagraphs (B) and (C), any reference in this title (or any other provision of law in relation to the operation of this title) to a provision of part A of title IV, or a State plan under such part, shall be considered a reference to such provision or plan as in effect as of May 1, 1996;

''(B) individuals shall be deemed to be receiving aid or assistance under a State plan approved under part A of title IV if they meet—

''(i) the income and resource standards, and the methodology for determining eligibility for assistance applicable under such plan, as of May 1, 1996; and

''(ii) the eligibility requirements of such State plan that correspond to the requirements of subsections (a), (b), and (c) of section 406, section 402(a)(42), and section 407 of part A of title IV, as such sections were in effect as of May 1, 1996; and

''(C) any reference in section 1902(a)(5) or 1925 to a State plan approved under part A of title IV shall be deemed to be a reference to a State program funded under such part, as in effect on and after October 1, 1996.

''(2) STATE OPTION FOR LOWER STANDARDS.—In applying clause (i) of paragraph (1)(B), a State may lower the income and resource standards applicable under the State plan under part A of title IV so long as such standards are not less than the standards in effect under the State plan under such part of such title on May 1, 1988. A State may elect to use less restrictive income and resource standards or methodologies under such State plan.

''(3) STATE OPTION REGARDING SEPARATE MEDICAID APPLICATION FOR TEA RECIPIENTS.—In the case of an individual who is determined to be eligible for temporary employment assistance under a State plan under part A of title IV, as in effect on and after October 1, 1996, a State may, at its option, use such individual's application for temporary employment assistance to determine such individual's eligibility for medical assistance under the State plan under this title.

''(b) APPLICATION TO WAIVERS.—In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of May 1, 1996, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may (but need not) continue to be applied, at the option of the State, in relation to this title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subsection (a) shall be applied as if any provisions so waived had not been waived.''.

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

(A) by striking ''and'' at the end of paragraph (61),

(B) by striking the period at the end of paragraph (62) and inserting ''; and'', and

(C) by inserting after paragraph (62) the following new paragraph:

''(63) provide for administration and determinations of eligibility with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.''.

(c) REPEAL OF SUNSET ON TRANSITIONAL WORK PROVISIONS.—Subsection (f) of section 1925 of such Act (42 U.S.C. 1396r–6(f)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to medical assistance furnished for calendar quarters beginning on or after October 1, 1996.

**SEC. 302. CONSOLIDATED CHILD CARE DEVELOPMENT BLOCK GRANT.**

(a) PURPOSE.—It is the purpose of this section to—

(1) eliminate program fragmentation and create a seamless system of high quality child care that allows for continuity of care for children as parents move from welfare to work;

(2) provide for parental choice among high quality child care programs; and

(3) increase the availability of high quality affordable child care in order to promote self sufficiency and support working families.

(b) AMENDMENTS TO CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990.—

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

**''SEC. 658B. APPROPRIATION.**

''(a) AUTHORIZATION OF APPROPRIATIONS OF BLOCK GRANT FUNDS.—For the purpose of providing child care services for eligible children through the awarding of grants to States under this subchapter (other than the grants awarded under subsection (b)) by the Secretary, there are authorized to be appropriated, $1,000,000,000 for each of the fiscal years 1996 through 2002.

''(b) APPROPRIATIONS OF FEDERAL MATCHING FUNDS.—For the purpose of providing child care services for eligible children through the awarding of matching grants to States under section 658J(d) by the Secretary, there are authorized to be appropriated and are hereby appropriated, $2,000,000,000 for fiscal year 1997, $2,250,000,000 for fiscal year 1998, $2,500,000,000 for fiscal year 1999, $2,800,000,000 for fiscal year 2000, $3,150,000,000 for fiscal year 2001, and $3,300,000,000 for fiscal year 2002.''.

(2) USE OF FUNDS.—Section 658E(c)(3)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3)(B)) is amended—

(A) in clause (i), by striking ''with very low family incomes (taking into consideration family size)'' and inserting ''described in clause (ii) (in the order so described)'';

(B) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and realigning the margins accordingly;

(C) by striking ''Subject'' and inserting the following:

''(i) IN GENERAL.—Subject''; and

(D) by adding at the end the following new clause:

''(ii) FAMILIES DESCRIBED.—The families described in this clause are the following:

''(I) Families containing an individual receiving temporary employment assistance under a State plan approved under part A of title IV of the Social Security Act and participating in job search, work, or Work First.

''(II) Families containing an individual who—

''(aa) no longer qualifies for child care assistance under section 405(b) of the Social Security Act because such individual has ceased to receive assistance under the temporary employment assistance program under part A of title IV of the Social Security Act as a result of increased hours of, or increased income from, employment; and

''(bb) the State determines requires such child care assistance in order to continue such employment (but only for the 1-year period beginning on the date that the individual no longer qualifies for child care assistance under section 405(b) of such Act, and, at the option of the State, for the additional 1-year period beginning after the conclusion of the first 1-year period).

''(III) Families containing an individual who—

''(aa) is not described in subclause (I) or (II); and

''(bb) has an annual income for a fiscal year below the poverty line.

For purposes of item (bb), a State may opt to provide child care services to families at or above the poverty line and below 75 percent of the State median income but only with respect to 10 percent of the State's grant under this subchapter or a greater percentage of the State's grant if such increased amount is necessary to provide child care to families who were receiving such care on the day before the date of the enactment of the Work First Act of 1995.

(3) SET-ASIDES FOR QUALITY AND EXPANSION.—Section 658E(c)(3) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(3))—

(A) in subparagraph (C), by striking ''25 percent'' and inserting ''10 percent''; and

(B) by adding at the end the following new subparagraph:

''(D) EXPANSION OF CHILD CARE.—The State shall reserve not less than 10 percent of the amount provided to the State and available for providing services under this subchapter, to provide for the expansion of child care facilities available to support working families residing in the State.''.

(4) SLIDING FEE SCALE.—Section 658E(c)(5) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858c(c)(5)) is amended by inserting ''described in subclauses (II) and (III) of paragraph (3)(B)(ii)'' after ''families''.

(5) MATCHING REQUIREMENT FOR NEW FUNDS.—

(A) IN GENERAL.—Section 658J of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended by adding at the end the following new subsections:

''(d) MATCHING REQUIREMENT FOR CERTAIN NEW FUNDS.—

''(1) AMOUNT OF FEDERAL PAYMENT.—Subject to paragraph (2), the Secretary shall make quarterly payments to each State that has an application approved under section 658E(d) in an amount equal to the Federal medical assistance percentage (as defined in section 1905(b)) of the total amount expended during the quarter under the State plan in excess of the State's quarterly allotment under section 658O.

''(2) LIMITATION.—

''(A) IN GENERAL.—Payments under this subsection to a State for any fiscal year may not exceed the limitation determined under subparagraph (B) with respect to the State.

''(B) LIMITATION DETERMINED.—The limitation determined under this subparagraph with respect to a State for any fiscal year is the amount that bears the same ratio to the amount specified in subparagraph (C) as the amount allotted to the State under 658O bears to the amount allotted to all States (after reserving the amount for Indian tribes required under section 658O(a)(2)).

''(C) AMOUNT SPECIFIED.—The amount specified in this subparagraph is the amount appropriated for such fiscal year under section 658B(b) reduced by the amount reserved for Indian tribes under subsection (e).

''(D) LIMITATION RAISED.—If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

''(3) FORM OF PAYMENT.—With respect to the amount for which payment is made to a State under paragraph (1), the State's expenditures for the costs of operating such programs may be in cash or in kind, fairly evaluated.

''(4) METHOD OF COMPUTATION AND PAYMENT.—The method of computing and paying amounts under paragraph (1) shall be as follows:

''(A) AMOUNT BASED ON ESTIMATE.—The Secretary shall, prior to the beginning of each quarter, estimate the amount to be paid to the State for such quarter under paragraph (1), such estimate to be based on—

''(i) a report filed by the State containing its estimate of the total sum to be expended in such quarter in accordance with the provisions of such paragraph and stating the amount appropriated or made available by the State and its political subdivisions for such expenditures in such quarter, and if such amount is less than the State's proportionate share of the total sum of such estimated expenditures, the source or sources from which the difference is expected to be derived; and

''(ii) such other information as the Secretary may find necessary.

''(B) REDUCTION OR INCREASE.—The Secretary shall reduce or increase the amount to be paid, as the case may be, by any sum by which the Secretary finds that the estimate for any prior quarter was greater or less than the amount which should have been paid to the State for such quarter, except that such increases or reductions shall not be made to the extent that such sums have been applied to make the amount certified for any prior quarter greater or less than the amount estimated by the Secretary for such prior quarter.

''(e) AMOUNTS RESERVED FOR INDIAN TRIBES.—The Secretary shall reserve not more than 3 percent of the amount appropriated under section 658B(b) in each fiscal year for payments to Indian tribes and tribal organizations with applications approved under section 658O(c). The amounts reserved under the prior sentence shall be available to make grants to or enter into contracts with Indian tribes or tribal organizations consistent with section 658O(c) without a requirement of matching funds by the Indian tribes or tribal organizations.

''(f) SAME TREATMENT AS ALLOTMENTS.—Amounts paid to a State or Indian tribe under subsections (d) and (e) shall be subject to the same requirements under this subchapter as amounts paid from the allotment under section 658O.''.

(B) CONFORMING AMENDMENTS.—Section 658O of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858m) is amended—

(i) in subsection (a)—

(I) in paragraph (1), by striking ''this subchapter'' and inserting section 658B(a); and

(II) in paragraph (2), by striking ''section 658B'' and inserting ''section 658B(a); and

(ii) in subsection (b)(1), by striking ''section 658B'' and inserting ''section 658B(a)''.

(6) IMPROVING QUALITY.—

(A) INCREASE IN REQUIRED FUNDING.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended by striking ''not less than 20 percent'' and inserting ''50 percent''.

(B) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—Section 658G of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858e) is amended—

(i) by striking ''A State'' and inserting ''(a) IN GENERAL.—A State''; and

(ii) by adding at the end the following new subsection:

''(b) QUALITY IMPROVEMENT INCENTIVE INITIATIVE.—

''(1) IN GENERAL.—The Secretary shall establish a child care quality improvement incentive initiative to make funds available to States that demonstrate progress in the implementation of—

''(A) innovative teacher training programs such as the Department of Defense staff development and compensation program for child care personnel; or

''(B) enhanced child care quality standards and licensing and monitoring procedures.

''(2) FUNDING.—From the amounts made available for each fiscal year under subsection (a), the Secretary shall reserve not to exceed $50,000,000 in each such fiscal year to carry out this subsection.''.

(7) PAYMENTS.—Section 658J(a) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858h) is amended by striking ''Subject to the availability of appropriation, a'' and inserting ''A''.

(8) DEFINITION OF ELIGIBLE CHILD.—Section 658P(4)(B) of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n(4)(B)) is amended to read as follows:

''(B) who is a member of a family described in section 658E(c)(3)(B)(ii); and''.

(9) DEFINITION OF POVERTY LINE.—Section 658P of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858n) is amended—

(A) by redesignating paragraphs (10) through (14) as paragraphs (11) through (15), respectively; and

(B) by inserting after paragraph (9), the following new paragraph:

''(10) POVERTY LINE.—The term 'poverty line' means the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) that—

''(A) in the case of a family of less than 4 individuals, is applicable to a family of the size involved; and

''(B) in the case of a family of 4 or more individuals, is applicable to a family of 4 individuals.''.

(c) PROGRAM REPEALS.—

(1) STATE DEPENDENT CARE GRANTS.—Subchapter E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871 et seq.) is repealed.

(2) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT.—The Child Development Associate Scholarship Assistance Act of 1985 (42 U.S.C. 10901 et seq.) is repealed.

## TITLE IV—ENDING THE CYCLE OF INTERGENERATIONAL DEPENDENCY

### SEC. 401. SUPERVISED LIVING ARRANGEMENTS FOR MINORS.

Section 402(c), as added by section 101(a), is amended by adding at the end the following new paragraph:

''(8) SUPERVISED LIVING ARRANGEMENTS FOR MINORS.—The State plan shall provide that—

''(A) except as provided in subparagraph (B), in the case of any individual who is under age 18 and has never married, and who has a needy child in his or her care (or is pregnant and is eligible for temporary employment assistance under the State plan)—

''(i) such individual may receive such assistance for the individual and such child (or for herself in the case of a pregnant woman) only if such individual and child (or such pregnant woman) reside in a place of residence maintained by a parent, legal guardian, or other adult relative of such individual as such parent's, guardian's, or adult relative's own home; and

''(ii) such assistance (where possible) shall be provided to the parent, legal guardian, or other adult relative on behalf of such individual and child; and

''(B)(i) in the case of an individual described in clause (ii)—

''(I) the State agency shall assist such individual in locating an appropriate adult-supervised supportive living arrangement taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual (and child, if any) reside in such living arrangement as a condition of the continued receipt of assistance under the plan (or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate), or

''(II) if the State agency is unable, after making diligent efforts, to locate any such appropriate living arrangement, the State agency shall provide for comprehensive case management, monitoring, and other social services consistent with the best interests of the individual (and child) while living independently (as determined by the State agency); and

''(ii) for purposes of clause (i), an individual is described in this clause if—

''(I) such individual has no parent or legal guardian of his or her own who is living and whose whereabouts are known;

''(II) no living parent or legal guardian of such individual allows the individual to live in the home of such parent or guardian;

''(III) the State agency determines that the physical or emotional health of such individual or any needy child of the individual would be jeopardized if such individual and such needy child lived in the same residence with such individual's own parent or legal guardian; or

''(IV) the State agency otherwise determines (in accordance with regulations issued by the Secretary) that it is in the best interest of the needy child to waive the requirement of subparagraph (A) with respect to such individual.''.

### SEC. 402. REINFORCING FAMILIES.

(a) IN GENERAL.—Title XX (42 U.S.C. 1397–1397e) is amended by adding at the end the following new section:

### ''SEC. 2008. ADULT-SUPERVISED GROUP HOMES.

''(a) ENTITLEMENT.—

''(1) IN GENERAL.—In addition to any payment under sections 2002 and 2007, beginning with fiscal year 1996, each State shall be entitled to funds under this section for each fiscal year for the establishment, operation, and support of adult-supervised group homes for custodial parents under age 18 (or age 19, at the option of the State) and their children.

''(2) PAYMENT TO STATES.—

''(A) IN GENERAL.—Each State shall be entitled to payment under this section for each fiscal year in an amount equal to its allotment (determined in accordance with subsection (b)) for such fiscal year, to be used by such State for the purposes set forth in paragraph (1).

''(B) TRANSFERS OF FUNDS.—The Secretary shall make payments in accordance with section 6503 of title 31, United States Code, to each State from its allotment for use under this title.

''(C) USE.—Payments to a State from its allotment for any fiscal year must be expended by the State in such fiscal year or in the succeeding fiscal year.

''(D) TECHNICAL ASSISTANCE.—A State may use a portion of the amounts described in subparagraph (A) for the purpose of purchasing technical assistance from public or private entities if the State determines that such assistance is required in developing, implementing, or administering the program funded under this section.

''(3) ADULT-SUPERVISED GROUP HOME.—For purposes of this section, the term 'adult-supervised group home' means an entity that provides custodial parents under age 18 (or age 19, at the option of the State) and their children with a supportive and supervised living arrangement in which such parents are required to learn parenting skills, including child development, family budgeting,

health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children. An adult-supervised group home may also serve as a network center for other supportive services that are available in the community.

''(b) ALLOTMENT.—

''(1) CERTAIN JURISDICTIONS.—The allotment for any fiscal year to each of the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to the amount specified under paragraph (3) as the allotment that the jurisdiction receives under section 2003(a) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

''(2) OTHER STATES.—The allotment for any fiscal year for each State other than the jurisdictions of Puerto Rico, Guam, the Virgin Islands, American Samoa, and the Northern Mariana Islands shall be an amount which bears the same ratio to—

''(A) the amount specified under paragraph (3), reduced by

''(B) the total amount allotted to those jurisdictions for that fiscal year under paragraph (1),

as the allotment that the State receives under section 2003(b) for the fiscal year bears to the total amount specified for such fiscal year under section 2003(c).

''(3) AMOUNT SPECIFIED.—The amount specified for purposes of paragraphs (1) and (2) shall be $30,000,000 for fiscal year 1997 and each subsequent fiscal year.

''(c) LOCAL INVOLVEMENT.—Each State shall seek local involvement from the community in any area in which an adult-supervised group home receiving funds pursuant to this section is to be established. In determining criteria for targeting funds received under this section, each State shall evaluate the community's commitment to the establishment and planning of the home.

''(d) LIMITATIONS ON THE USE OF FUNDS.—

''(1) CONSTRUCTION.—Except as provided in paragraph (2), funds made available under this section may not be used by the State, or any other person with which the State makes arrangements to carry out the purposes of this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement (other than minor remodeling) of any building or other facility.

''(2) WAIVER.—The Secretary may waive the limitation contained in paragraph (1) upon the State's request for such a waiver if the Secretary finds that the request describes extraordinary circumstances to justify the waiver and that permitting the waiver will contribute to the State's ability to carry out the purposes of this section.

''(e) TREATMENT OF INDIAN TRIBES.—

''(1) IN GENERAL.—An Indian tribe may apply to the Secretary to establish, operate, and support adult-supervised group homes for custodial parents under age 18 (or age 19, at the option of the State) and their children in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subsection, the provisions of this section shall apply to Indian tribes receiving funds under this subsection in the same manner and to the same extent as the other provisions of this section apply to States.

''(2) ALLOTMENT.—If the Secretary approves an Indian tribe's application, the Secretary shall allot to such tribe for a fiscal year an amount which the Secretary determines is the Indian tribe's fair and equitable share of the amount specified under paragraph (3) for all Indian tribes with applications approved under this subsection (based on allotment factors to be determined by the Secretary). The Secretary shall determine a minimum allotment amount for all Indian tribes with applications approved under this subsection. Each Indian tribe with an application approved under this subsection shall be entitled to such minimum allotment.

''(3) AMOUNT SPECIFIED.—The amount specified under this paragraph for all Indian tribes with applications approved under this subsection is $3,000,000 for fiscal year 1997 and each subsequent fiscal year.

''(4) INDIAN TRIBE DEFINED.—For purposes of this section, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.''.

(b) RECEIPT OF PAYMENTS BY ADULT-SUPERVISED GROUP HOMES.—Section 402(c)(8)(A)(ii), as added by section 401(a), is amended by striking ''or other adult relative'' and inserting ''other adult relative, or adult-supervised group home receiving funds under section 2008''.

(c) RECOMMENDATIONS ON USE OF GOVERNMENT SURPLUS PROPERTY.—Not later than 6 months after the date of the enactment of this Act, after consultation with the Secretary of Defense, the Secretary of Housing and Urban Development, and the Administrator of the General Services Administration, the Secretary of Health and Human Services shall submit recommendations to the Congress on the extent to which surplus properties of the United States Government may be used for the establishment of adult-supervised group homes receiving funds under section 2008 of the Social Security Act, as added by this section.

**SEC. 403. REQUIRED COMPLETION OF HIGH SCHOOL OR OTHER TRAINING FOR TEENAGE PARENTS.**

(a) IN GENERAL.—Section 403(b)(4), as added by section 101(a), is amended—

(1) by inserting ''(A)'' after ''(4)''; and

(2) by inserting at the end the following new subparagraph:

''(B) In the case of a client who is a custodial parent who is under age 18 (or age 19, at the option of the State), has not successfully completed a high-school education (or its equivalent), and is required to participate in the Work First program (including an individual who would otherwise be exempt from participation in the program), provides that—

''(i) such parent participate in—

''(I) educational activities directed toward the attainment of a high school diploma or its equivalent on a full-time (as defined by the educational provider) basis; or

''(II) an alternative educational or training program on a full-time (as defined by the provider) basis; and

''(ii) child care be provided in accordance with section 405(b) with respect to the family.''.

(b) STATE OPTION TO PROVIDE ADDITIONAL INCENTIVES AND PENALTIES TO ENCOURAGE TEEN PARENTS TO COMPLETE HIGH SCHOOL AND PARTICIPATE IN PARENTING ACTIVITIES.—

(1) STATE PLAN.—Section 403(b)(4), as amended by subsection (a), is amended by inserting after subparagraph (B) the following new subparagraph:

''(C) At the option of the State, provides that the client who is a custodial parent or pregnant woman who is under age 19 (or age 21, at the option of the State) participate in a program of monetary incentives and penalties which—

''(i) may, at the option of the State, require full-time participation by such custodial parent or pregnant woman in secondary school or equivalent educational activities, or participation in a course or program leading to a skills certificate found appropriate by the State agency or parenting education activities (or any combination of such activities and secondary education);

''(ii) shall require that the needs of such custodial parent or pregnant woman be reviewed and the program assure that, either in the initial development or revision of such individual's parent empowerment contract, there will be included a description of the services that will be provided to the client and the way in which the program and service providers will coordinate with the educational or skills training activities in which the client is participating;

''(iii) shall provide monetary incentives (to be treated as assistance under the State plan) for more than minimally acceptable performance of required educational activities;

''(iv) shall provide penalties (which may be those required by subsection (c) or, with the approval of the Secretary, other monetary penalties that the State finds will better achieve the objectives of the program) for less than minimally acceptable performance of required activities;

''(v) shall provide that when a monetary incentive is payable because of the more than minimally acceptable performance of required educational activities by a custodial parent, the incentive be paid directly to such parent, regardless of whether the State agency makes payment of assistance under the State plan directly to such parent; and

''(vi) for purposes of any other Federal or federally-assisted program based on need, shall not consider any monetary incentive paid under this subsection as income in determining a family's eligibility for or amount of benefits under such program, and if assistance is reduced by reason of a penalty under this subparagraph, such other program shall treat the family involved as if no such penalty has been applied.''.

**SEC. 404. DRUG TREATMENT AND COUNSELING AS PART OF THE WORK FIRST PROGRAM.**

Section 403(b)(6), as added by section 101(a), is amended—

(1) by inserting ''(A)'' after ''(6)''; and

(2) by inserting at the end the following new subparagraph:

''(B) In the case of a client who is a custodial parent and who is under age 18 (or age 19, at the option of the State) (including an individual who would otherwise be exempt from participation in the program), whose contract reflects the need for treatment for substance abuse, requires such individual to participate in substance abuse treatment if appropriate treatment is available.''.

**SEC. 405. TARGETING YOUTH AT RISK OF TEENAGE PREGNANCY.**

(a) IN GENERAL.—Section 406(e), as added by section 101(a), is amended to read as follows:

''(e) OUT-OF-WEDLOCK AND TEEN PREGNANCY PROGRAMS.—

''(1) OUT-OF-WEDLOCK PREGNANCIES.—The State plan shall provide for the development of a program to reduce the incidence of out-of-wedlock pregnancies, which may include providing unmarried mothers and unmarried fathers with services which will help them—

''(A) avoid subsequent pregnancies, and

''(B) provide adequate care to their children.

''(2) TEEN PREGNANCIES.—

''(A) IN GENERAL.—The State plan shall provide that the State agency may, to the extent it determines resources are available, provide for the operation of projects to reduce teenage pregnancy. Such projects shall be operated by eligible entities that have

submitted applications described in subparagraph (C) that have been approved in accordance with subparagraph (D).

''(B) ELIGIBLE ENTITIES.—For purposes of this paragraph, the term 'eligible entity' includes State agencies, local agencies, publicly supported organizations, private nonprofit organizations, and consortia of such entities.

''(C) APPLICATIONS.—An application described in this subparagraph shall—

''(i) describe the project;

''(ii) include an endorsement of the project by the chief elected official of the jurisdiction in which the project is to be located;

''(iii) demonstrate strong local commitment and local involvement in the planning and implementation of the project; and

''(iv) be submitted in such manner and containing such information as the Secretary may require.

''(D) APPROVAL.—

''(i) IN GENERAL.—Subject to clause (ii), the chief executive officer of a State may approve an application under this subparagraph based on selection criteria (to be determined by the chief executive officer).

''(ii) PREFERENCES.—Preference in approving a project shall be accorded to be projects that target—

''(I) both young men and women;

''(II) areas with high teenage pregnancy rates; or

''(III) areas with a high incidence of individuals receiving temporary employment assistance.

''(E) INDIAN TRIBES.—

''(i) IN GENERAL.—An Indian tribe may apply to the Secretary to provide for the operation of projects to reduce teenage pregnancy in accordance with an application procedure to be determined by the Secretary. Except as otherwise provided in this subparagraph, the provisions of this paragraph shall apply to Indian tribes receiving funds under this paragraph in the same manner and to the same extent as the other provisions of this paragraph apply to States.

''(ii) LIMITATION.—The Secretary shall limit the number of applications approved under this subparagraph to ensure that payments under section 413(d) to Indian tribes with approved applications would not result in payments of less than a minimum payment amount (to be determined by the Secretary).

''(iii) INDIAN TRIBE DEFINED.—For purposes of this subparagraph, the term 'Indian tribe' means any Indian tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native entity which is recognized as eligible for the special programs and services provided by the United States to Indian tribes because of their status as Indians.

''(F) PROJECT LENGTH.—A project conducted under this paragraph shall be conducted for not less than 3 years.

''(G) STUDY.—

''(i) IN GENERAL.—The Secretary shall conduct a study in accordance with clause (ii) to determine the relative effectiveness of the different approaches for preventing teenage pregnancy utilized in the projects conducted under this paragraph.

''(ii) REQUIREMENTS.—The study required under clause (i) shall—

''(I) be based on data gathered from projects conducted in 5 States chosen by the Secretary from among the States in which projects under this paragraph are operated;

''(II) use specific outcome measures (determined by the Secretary) to test the effectiveness of the projects;

''(III) use experimental and control groups (to the extent possible) that are composed of a random sample of participants in the projects; and

''(IV) be conducted in accordance with an experimental design determined by the Secretary to result in a comparable design among all projects.

''(iii) INTERIM DATA.—Each eligible entity conducting a project under this paragraph shall provide to the Secretary in such form and with such frequency as the Secretary requires interim data from the projects conducted under this paragraph. The Secretary shall report to the Congress annually on the progress of such projects and shall, not later than January 1, 2003, submit to the Congress a final report on the study required under clause (i).

''(iv) AUTHORIZATION.—There are authorized to be appropriated $500,000 for each of fiscal years 1997 through 2002 for the purpose of conducting the study required under clause (i).''.

(b) PAYMENT.—Section 413, as added by section 101(a), is amended by adding at the end the following new subsection:

''(d) FUNDING FOR TEEN PREGNANCY PROJECTS.—

''(1) IN GENERAL.—In addition to any payment under subsection (a), each State shall be entitled to payment from the Secretary for each of fiscal years 1996 through 2002 of an amount equal to the lesser of—

''(A) 75 percent of the expenditures by the State in providing for the operation of the projects under section 406(e)(2), and in administering the projects under such section; or

''(B) the limitation determined under paragraph (2) with respect to the State for the fiscal year.

''(2) LIMITATION.—

''(A) IN GENERAL.—The limitation determined under this paragraph with respect to a State for any fiscal year is the amount that bears the same ratio to $30,000,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) in the State in the second preceding fiscal year bears to such population residing in the United States in the second preceding fiscal year.

''(B) ADJUSTMENT.—If the limitation determined under subparagraph (A) with respect to a State for a fiscal year exceeds the amount paid to the State under this subsection for the fiscal year, the limitation determined under this paragraph with respect to the State for the immediately succeeding fiscal year shall be increased by the amount of such excess.

''(3) INDIAN TRIBES.—

''(A) IN GENERAL.—Notwithstanding any other provision of this title, for purposes of this subsection, an Indian tribe with an application approved under section 406(e)(2)(E) shall be entitled to payment from the Secretary for each of fiscal years 1997 through 2002 of an amount equal to the lesser of—

''(i) 75 percent of the expenditures by the Indian tribe in providing for the operation of the projects under section 406(e)(2)(E), and in administering the projects under such section; or

''(ii) the limitation determined under subparagraph (B) with respect to the Indian tribe for the fiscal year.

''(B) LIMITATION.—

''(i) IN GENERAL.—The limitation determined under this subparagraph with respect to an Indian tribe for any fiscal year is the amount that bears the same ratio to $2,000,000 as the population with an income below the poverty line (as such term is defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)), including any revision required by such section) in the Indian tribe in the second preceding fiscal year bears to such population of all Indian tribes with applications approved under section 406(e)(2)(E) in the second preceding fiscal year.

''(ii) ADJUSTMENT.—If the limitation determined under clause (i) with respect to an Indian tribe for a fiscal year exceeds the amount paid to the Indian tribe under this paragraph for the fiscal year, the limitation determined under this subparagraph with respect to the Indian tribe for the immediately succeeding fiscal year shall be increased by the amount of such excess.

''(4) USE OF APPROPRIATIONS.—Amounts appropriated for a fiscal year to carry out this part shall be made available for payments under this subsection for such fiscal year.''.

**SEC. 406. NATIONAL CLEARINGHOUSE ON TEENAGE PREGNANCY.**

(a) ESTABLISHMENT.—The Secretary of Education, the Secretary of Health and Human Services, and the Chief Executive Officer of the Corporation for National and Community Service shall establish a national center for the collection and provision of information that relates to adolescent pregnancy prevention programs, to be known as the ''National Clearinghouse on Teenage Pregnancy Prevention Programs''.

(b) FUNCTIONS.—The national center established under subsection (a) shall serve as a national information and data clearinghouse, and as a material development source for adolescent pregnancy prevention programs. Such center shall—

(1) develop and maintain a system for disseminating information on all types of adolescent pregnancy prevention programs and on the state of adolescent pregnancy prevention program development, including information concerning the most effective model programs;

(2) identify model programs representing the various types of adolescent pregnancy prevention programs;

(3) develop networks of adolescent pregnancy prevention programs for the purpose of sharing and disseminating information;

(4) develop technical assistance materials to assist other entities in establishing and improving adolescent pregnancy prevention programs;

(5) participate in activities designed to encourage and enhance public media campaigns on the issue of adolescent pregnancy; and

(6) conduct such other activities as the responsible Federal officials find will assist in developing and carrying out programs or activities to reduce adolescent pregnancy.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this section.

**SEC. 407. EFFECTIVE DATES.**

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall be effective with respect to calendar quarters beginning on or after October 1, 1996.

(b) SPECIAL RULE.—In the case of a State that the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order to meet the additional requirements imposed by the amendments made by this title, the State shall not be regarded as failing to comply with the requirements of such amendments before the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act. For purposes of this subsection, in the case of a State that has a 2-year legislative session, each year of the session shall be treated as a separate regular session of the State legislature.

## TITLE V—INTERSTATE CHILD SUPPORT RESPONSIBILITY

**SECTION 500. SHORT TITLE.**

This title may be cited as the ''Child Support Improvement Act of 1996''.

### Subtitle A—Eligibility for Services; Distribution of Payments

**SEC. 501. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.**

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

''(4) provide that the State will—

''(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

''(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance are provided under the State program funded under part E of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless, in accordance with paragraph (29), good cause and other exceptions exist;

''(ii) any other child, if an individual applies for such services with respect to the child; and

''(B) enforce any support obligation established with respect to—

''(i) a child with respect to whom the State provides services under the plan; or

''(ii) the custodial parent of such a child.''; and

(2) in paragraph (6)—

(A) by striking ''provide that'' and inserting ''provide that—'';

(B) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;'';

(C) in subparagraph (B), by inserting ''on individuals not receiving assistance under any State program funded under part A'' after ''such services shall be imposed'';

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking ''and'' at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting ''; and''; and

(3) by adding after paragraph (24) the following new paragraph:

''(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking ''454(6)'' and inserting ''454(4)''.

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking ''454(6)'' each place it appears and inserting ''454(4)(A)(ii)''.

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''in the case of overdue support which a State has agreed to collect under section 454(6)'' and inserting ''in any other case''.

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking ''paragraph (4) or (6) of section 454'' and inserting ''section 454(4)''.

**SEC. 502. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.**

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

**''SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

''(a) IN GENERAL.—Subject to subsection (e), an amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

''(A) pay to the Federal Government the Federal share of the amount so collected; and

''(B) retain, or distribute to the family, the State share of the amount so collected.

''(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

''(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

''(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

''(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

''(I) PRE-OCTOBER 1997.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 502 of the Child Support Improvement Act of 1996 shall apply with respect to the distribution of support arrearages that—

''(aa) accrued after the family ceased to receive assistance, and

''(bb) are collected before October 1, 1997.

''(II) POST-SEPTEMBER 1997.—With respect to the amount so collected on or after October 1, 1997 (or before such date, at the option of the State)—

''(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

''(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

''(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

''(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

''(I) PRE-OCTOBER 2000.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 502 of the Child Support Improvement Act of 1996 shall apply with respect to the distribution of support arrearages that—

''(aa) accrued before the family received assistance, and

''(bb) are collected before October 1, 2000.

''(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000 (or before such date, at the option of the State)—

''(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

''(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

''(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

''(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

''(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent past-due support has been assigned to the State as a condition of receiving assistance from the State, up to the amount necessary to reimburse the State for amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

''(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall treat any support arrearages collected as accruing in the following order:

''(I) To the period after the family ceased to receive assistance.

''(II) To the period before the family received assistance.

''(III) To the period while the family was receiving assistance.

''(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

''(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to

the Congress the Secretary's findings with respect to—

''(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

''(B) whether early implementation of a pre-assistance arrearage program by some States has been effective in moving people off of welfare and keeping them off of welfare;

''(C) what the overall impact has been of the amendments made by the Child Support Improvement Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

''(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

''(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996, shall remain assigned after such date.

''(c) DEFINITIONS.—As used in subsection (a):

''(1) ASSISTANCE.—The term 'assistance from the State' means—

''(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996); or

''(B) benefits under the State plan approved under part E of this title (as in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996).

''(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical assistance percentage in effect for the fiscal year in which the amount is collected.

''(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

''(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

''(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

''(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

''(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Child Support Improvement Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.

''(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBUTION UNDER THIS SECTION.—This section shall not apply to any amount collected on behalf of a family as support by a State pursuant to a plan approved under this part if such amount would have been distributed to the family by the State under section 402(a)(28), as in effect and applied on the day before the date of the enactment of section 522 of the Child Support Improvement Act of 1996.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking ''section 457(b)(4) or (d)(3)'' and inserting ''section 457''.

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking ''(11)'' and inserting ''(11)(A)''; and

(ii) by inserting after the semicolon ''and''; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on July 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this title.

**SEC. 503. PRIVACY SAFEGUARDS.**

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 501(b) of this title, is amended—

(1) by striking ''and'' at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting ''; and''; and

(3) by adding after paragraph (25) the following new paragraph:

''(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

''(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

''(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

''(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

**SEC. 504. RIGHTS TO NOTIFICATION OF HEARINGS.**

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 502(b)(2) of this title, is amended by inserting after paragraph (11) the following new paragraph:

''(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

''(A) with notice of all proceedings in which support obligations might be established or modified; and

''(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

**Subtitle B—Locate and Case Tracking**

**SEC. 511. STATE CASE REGISTRY.**

Section 454A, as added by section 544(a)(2) of this title, is amended by adding at the end the following new subsections:

''(e) STATE CASE REGISTRY.—

''(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

''(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

''(B) each support order established or modified in the State on or after October 1, 1998.

''(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

''(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on case status) as the Secretary may require.

''(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

''(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

''(B) any amount described in subparagraph (A) that has been collected;

''(C) the distribution of such collected amounts;

''(D) the birth date of any child for whom the order requires the provision of support; and

''(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

''(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and update, maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

''(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

''(B) information obtained from comparison with Federal, State, or local sources of information;

''(C) information on support collections and distributions; and

''(D) any other relevant information.

''(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

''(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

''(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal

Parent Locator Service for the purposes specified in section 453.

''(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans approved under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

''(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.''.

**SEC. 512. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.**

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b) and 503(a) of this title, is amended—

(1) by striking ''and'' at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting ''; and''; and

(3) by adding after paragraph (26) the following new paragraph:

''(27) provide that, on and after October 1, 1998, the State agency will—

''(A) operate a State disbursement unit in accordance with section 454B; and

''(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

''(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

''(ii) take the actions described in section 466(c)(1) in appropriate cases.''.

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 544(a)(2) of this title, is amended by inserting after section 454A the following new section:

**''SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.**

''(a) STATE DISBURSEMENT UNIT.—

''(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

''(A) in all cases being enforced by the State pursuant to section 454(4); and

''(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the wages of the noncustodial parent are subject to withholding pursuant to section 466(a)(8)(B).

''(2) OPERATION.—The State disbursement unit shall be operated—

''(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

''(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

''(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

''(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

''(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

''(2) for accurate identification of payments;

''(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

''(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

''(c) TIMING OF DISBURSEMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

''(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

''(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.''.

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 544(a)(2) and as amended by section 511 of this title, is amended by adding at the end the following new subsection:

''(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

''(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

''(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

''(i) within 2 business days after receipt of notice of, and the income source subject to, such withholding from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State; and

''(ii) using uniform formats prescribed by the Secretary;

''(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

''(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

''(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.''.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on October 1, 1998.

(2) LIMITED EXCEPTION TO UNIT HANDLING PAYMENTS.—Notwithstanding section 454B(b)(1) of the Social Security Act, as added by this section, any State which, as of the date of the enactment of this title, processes the receipt of child support payments through local courts, and, as of March 21, 1996, such courts were not funded under part D of title IV of the Social Security Act, may, at the option of the State, continue to process through September 30, 1999, such payments through such courts as processed such payments on or before such date of enactment.

**SEC. 513. STATE DIRECTORY OF NEW HIRES.**

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a) and 512(a) of this title, is amended—

(1) by striking ''and'' at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting ''; and''; and

(3) by adding after paragraph (27) the following new paragraph:

''(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.''.

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

**''SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—

''(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

''(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of subsection (g)(2) not later than October 1, 1997, and the requirements of this section (other than subsection (g)(2)) not later than October 1, 1998.

''(2) DEFINITIONS.—As used in this section:

''(A) EMPLOYEE.—The term 'employee'—

''(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

''(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

''(B) EMPLOYER.—

''(i) IN GENERAL.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1986 and includes any governmental entity and any labor organization.

''(ii) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

''(b) EMPLOYER INFORMATION.—

''(1) REPORTING REQUIREMENT.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

''(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

''(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

''(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

''(A) not later than 20 days after the date the employer hires the employee; or

''(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

''(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

''(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

''(1) $25; or

''(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

''(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

''(f) INFORMATION COMPARISONS.—

''(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

''(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

''(g) TRANSMISSION OF INFORMATION.—

''(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

''(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

''(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

''(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

''(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

''(h) OTHER USES OF NEW HIRE INFORMATION.—

''(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

''(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

''(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.''.

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting ''(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))'' after ''employers''; and

(2) by inserting '', and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission'' after ''paragraph (2)''.

**SEC. 514. AMENDMENTS CONCERNING INCOME WITHHOLDING.**

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

''(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

''(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

''(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

''(i) that the withholding has commenced; and

''(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

''(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).''.

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows ''administered by'' and inserting ''the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.''.

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking ''to the appropriate agency'' and all that follows and inserting ''to the State disbursement unit within 5 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.''.

(ii) in clause (ii), by inserting ''be in a standard format prescribed by the Secretary, and'' after ''shall''; and

(iii) by adding at the end the following new clause:

''(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.''.

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking ''any employer'' and all that follows and inserting ''any employer who—

''(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

''(ii) fails to withhold support from wages or to pay such amounts to the State disbursement unit in accordance with this subsection.''.

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

''(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.''.

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

**SEC. 515. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.**

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

''(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.''.

**SEC. 516. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.**

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows ''subsection (c))'' and inserting '', for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

''(1) information on, or facilitating the discovery of, the location of any individual—

''(A) who is under an obligation to pay child support or provide child custody or visitation rights;

''(B) against whom such an obligation is sought;

''(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

''(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

''(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.''; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''social security'' and all that follows through ''absent parent'' and inserting ''information described in subsection (a)''; and

(B) in the flush paragraph at the end, by adding the following: ''No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).''.

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking ''support'' and inserting ''support or to seek to enforce orders providing child custody or visitation rights''; and

(2) in paragraph (2), by striking '', or any agent of such court; and'' and inserting ''or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;''.

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting ''in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)'' before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

''(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).''.

(e) CONFORMING AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting ''Federal'' before ''Parent'' each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding ''FEDERAL'' before ''PARENT''.

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

''(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

''(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

''(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

''(i) NATIONAL DIRECTORY OF NEW HIRES.—

''(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1997, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

''(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

''(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

''(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

''(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

''(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

''(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

''(i) The name, social security number, and birth date of each such individual.

''(ii) The employer identification number of each such employer.

''(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

''(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

''(B) within 2 business days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

''(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

''(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

''(B) disclose information in such registries to such State agencies.

''(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory.

''(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

''(k) FEES.—

''(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

''(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

''(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

''(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

''(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

''(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

''(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

''(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.''.

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

''(B) the Federal Parent Locator Service established under section 453;''.

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting ''and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan'' before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''Secretary of Health, Education, and Welfare'' each place such term appears and inserting ''Secretary of Health and Human Services'';

(B) in subparagraph (B), by striking ''such information'' and all that follows and inserting ''information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;'';

(C) by striking ''and'' at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

''(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and''.

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

''(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

''(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

''(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

''(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

''(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

''(3) For purposes of this subsection—

''(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

''(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.''.

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

''(i) The address and social security account number (or numbers) of such individual.

''(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual.''

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking ''(l)(12)'' and inserting ''paragraph (6) or (12) of subsection (l)''.

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

''(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations.''

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking ''subsection (l)(12)(B)'' and inserting ''paragraph (6)(A) or (12)(B) of subsection (l)''.

(h) REQUIREMENT FOR COOPERATION.—The Secretary of Labor and the Secretary of Health and Human Services shall work jointly to develop cost-effective and efficient methods of accessing the information in the various State directories of new hires and the National Directory of New Hires as established pursuant to the amendments made by this title. In developing these methods the Secretaries shall take into account the impact, including costs, on the States, and shall also consider the need to insure the proper and authorized use of wage record information.

**SEC. 517. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.**

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 515 of this title, is amended by adding at the end the following new paragraph:

''(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

''(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

''(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

''(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.''.

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking ''may require'' and inserting ''shall require'';

(2) in clause (ii), by inserting after the 1st sentence the following: ''In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.'';

(3) in clause (ii), by inserting ''or marriage certificate'' after ''Such numbers shall not be recorded on the birth certificate'';

(4) in clause (vi), by striking ''may'' and inserting ''shall''; and

(5) by adding at the end the following new clauses:

''(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

''(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgment in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.''.

**Subtitle C—Streamlining and Uniformity of Procedures**

**SEC. 521. ADOPTION OF UNIFORM STATE LAWS.**

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

''(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

''(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998, by the National Conference of Commissioners on Uniform State Laws.

''(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.

**SEC. 522. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.**

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking ''subsection (e)'' and inserting ''subsections (e), (f), and (i)'';

(2) in subsection (b), by inserting after the 2nd undesignated paragraph the following:

''child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.'';

(3) in subsection (c), by inserting ''by a court of a State'' before ''is made'';

(4) in subsection (c)(1), by inserting ''and subsections (e), (f), and (g)'' after ''located'';

(5) in subsection (d)—

(A) by inserting ''individual'' before ''contestant''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(6) in subsection (e), by striking ''make a modification of a child support order with respect to a child that is made'' and inserting ''modify a child support order issued'';

(7) in subsection (e)(1), by inserting ''pursuant to subsection (i)'' before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting ''individual'' before ''contestant'' each place such term appears; and

(B) by striking ''to that court's making the modification and assuming'' and inserting ''with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume'';

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

''(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

''(1) If only 1 court has issued a child support order, the order of that court must be recognized.

''(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

''(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

''(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

''(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.'';

(11) in subsection (g) (as so redesignated)—

(A) by striking ''PRIOR'' and inserting ''MODIFIED''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting ''including the duration of current payments and other obligations of support'' before the comma; and

(B) in paragraph (3), by inserting ''arrears under'' after ''enforce''; and

(13) by adding at the end the following new subsection:

''(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.''.

**SEC. 523. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515 and 517(a) of this title, is amended by adding at the end the following new paragraph:

''(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

''(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

''(ii) the term 'business day' means a day on which State offices are open for regular business;

''(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

''(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

''(ii) shall constitute a certification by the requesting State—

''(I) of the amount of support under the order the payment of which is in arrears; and

''(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

''(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

''(D) the State shall maintain records of—

''(i) the number of such requests for assistance received by the State;

''(ii) the number of cases for which the State collected support in response to such a request; and

''(iii) the amount of such collected support.''.

**SEC. 524. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking ''and'' at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(11) not later than October 1, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

''(A) collection of child support through income withholding;

''(B) imposition of liens; and

''(C) administrative subpoenas.''.

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

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

(2) by inserting ''and'' at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

''(E) not later than March 1, 1997, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;''.

**SEC. 525. STATE LAWS PROVIDING EXPEDITED PROCEDURES.**

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 514 of this title, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: ''Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations.''; and

(2) by inserting after subsection (b) the following new subsection:

''(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

''(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment of paternity or to establishment, modification, or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

''(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

''(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

''(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

''(D) ACCESS TO CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

''(i) Records of other State and local government agencies, including—

''(I) vital statistics (including records of marriage, birth, and divorce);

''(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

''(III) records concerning real and titled personal property;

''(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

''(V) employment security records;

''(VI) records of agencies administering public assistance programs;

''(VII) records of the motor vehicle department; and

''(VIII) corrections records.

''(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

''(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies; and

''(II) information (including information on assets and liabilities) on such individuals held by financial institutions,

subject to the nonliability of such entities arising from affording such access under this subparagraph.

''(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

''(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

''(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

''(i) intercepting or seizing periodic or lump-sum payments from—

''(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

''(II) judgments, settlements, and lotteries;

''(ii) attaching and seizing assets of the obligor held in financial institutions;

''(iii) attaching public and private retirement funds; and

''(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

''(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

''(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

''(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

''(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer; and

''(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

''(B) STATEWIDE JURISDICTION.—Procedures under which—

''(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

''(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

''(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.''.

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 544(a)(2) and as amended by sections 511 and 512(c) of this title, is amended by adding at the end the following new subsection:

''(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).''.

**Subtitle D—Paternity Establishment**

**SEC. 531. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.**

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

''(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

''(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

''(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

''(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

''(B) PROCEDURES CONCERNING GENETIC TESTING.—

''(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause and other exceptions for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

''(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

''(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

''(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

''(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

''(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

''(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

''(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

''(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, unless good cause and other exceptions exist which—

''(I) shall be defined, taking into account the best interests of the child, and

''(II) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, or title XIX.

''(iii) PATERNITY ESTABLISHMENT SERVICES.—

''(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

''(II) REGULATIONS.—

''(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

''(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

''(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements

of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

''(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

''(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

''(I) the father and mother have signed a voluntary acknowledgment of paternity; or

''(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

''(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

''(I) 60 days; or

''(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

''(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

''(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

''(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

''(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

''(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

''(II) performed by a laboratory approved by such an accreditation body;

''(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

''(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

''(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

''(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

''(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

''(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

''(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

''(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

''(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.''.

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting '', and specify the minimum requirements of an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee'' before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking ''a simple civil process for voluntarily acknowledging paternity and''.

**SEC. 532. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.**

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting ''and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate'' before the semicolon.

**SEC. 533. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF PART A ASSISTANCE.**

Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(a), and 513(a) of this title, is amended—

(1) by striking ''and'' at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting ''; and''; and

(3) by inserting after paragraph (28) the following new paragraph:

''(29) provide that the State agency responsible for administering the State plan—

''(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to good cause and other exceptions which—

''(i) shall be defined, taking into account the best interests of the child, and

''(ii) shall be applied in each case, by, at the option of the State, the State agency administering the State program under part A, this part, or title XIX;

''(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

''(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

''(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A or the State program under title XIX; and

''(E) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.''.

## Subtitle E—Program Administration and Funding

**SEC. 541. PERFORMANCE-BASED INCENTIVES AND PENALTIES.**

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than November 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking ''aid to families with dependent children under a State plan approved under part A of this title'' and inserting ''assistance under a program funded under part A'';

(2) in subsection (b)(1)(A), by striking ''section 402(a)(26)'' and inserting ''section 408(a)(4)'';

(3) in subsections (b) and (c)—

(A) by striking ''AFDC collections'' each place it appears and inserting ''title IV–A collections'', and

(B) by striking ''non-AFDC collections'' each place it appears and inserting ''non-title IV–A collections''; and

(4) in subsection (c), by striking ''combined AFDC/non-AFDC administrative costs'' both places it appears and inserting ''combined title IV–A/non-title IV–A administrative costs''.

(c) CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking ''75'' and inserting ''90''.

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended—

(A) by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;''; and

(B) by adding at the end the following new flush sentence:

''In determining compliance under this section, a State may use as its paternity establishment percentage either the State's IV–D paternity establishment percentage (as defined in paragraph (2)(A)) or the State's statewide paternity establishment percentage (as defined in paragraph (2)(B)).''.

(3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended—

(A) in subparagraph (A)—

(i) in the matter preceding clause (i)—

(I) by striking ''paternity establishment percentage'' and inserting ''IV–D paternity establishment percentage''; and

(II) by striking ''(or all States, as the case may be)'';

(ii) by striking ''and'' at the end thereof;

(B) by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) the term 'statewide paternity establishment percentage' means, with respect to a State for a fiscal year, the ratio (expressed as a percentage) that the total number of minor children—

''(i) who have been born out of wedlock, and

''(ii) the paternity of whom has been established or acknowledged during the fiscal year,

bears to the total number of children born out of wedlock during the preceding fiscal year; and''; and

(iii) in the matter following subparagraph (C) (as so redesignated), by striking ''to have good cause for refusing to cooperate'' and inserting ''to qualify for a good cause or other exception to cooperation''.

(4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A) (as so redesignated), by striking ''the percentage of children born out-of-wedlock in a State'' and inserting ''the percentage of children in a State who are born out of wedlock or for whom support has not been established''.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this title.

**SEC. 542. FEDERAL AND STATE REVIEWS AND AUDITS.**

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking ''(14)'' and inserting ''(14)(A)'';

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

''(15) provide for—

''(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

''(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including paternity establishment percentages) to the extent necessary for purposes of sections 452(g) and 458.''.

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

''(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

''(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

''(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

''(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data and the accuracy of the reporting systems used in calculating performance indicators under subsection (g) of this section and section 458;

''(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

''(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

''(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

''(iii) for such other purposes as the Secretary may find necessary;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this title.

**SEC. 543. REQUIRED REPORTING PROCEDURES.**

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting '', and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures'' before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(a), 513(a), and 533 of this title, is amended—

(1) by striking ''and'' at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting ''; and''; and

(3) by adding after paragraph (29) the following new paragraph:

''(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.''.

**SEC. 544. AUTOMATED DATA PROCESSING REQUIREMENTS.**

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking '', at the option of the State,'';

(B) by inserting ''and operation by the State agency'' after ''for the establishment'';

(C) by inserting ''meeting the requirements of section 454A'' after ''information retrieval system'';

(D) by striking ''in the State and localities thereof, so as (A)'' and inserting ''so as'';

(E) by striking ''(i)''; and

(F) by striking ''(including'' and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

**''SEC. 454A. AUTOMATED DATA PROCESSING.**

''(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

''(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

''(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

''(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

''(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

''(1) use the automated system—

''(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

''(B) to calculate the paternity establishment percentage for the State for each fiscal year; and

''(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

''(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

''(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

''(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

''(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

''(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

''(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

''(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

''(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.''.

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this title.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 503(a)(1) of this title, is amended to read as follows:

''(24) provide that the State will have in effect an automated data processing and information retrieval system—

''(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

''(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Child Support Improvement Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 544(a)(3) of the Child Support Improvement Act of 1996;''.

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking ''90 percent'' and inserting ''the percent specified in paragraph (3)'';

(ii) by striking ''so much of''; and

(iii) by striking ''which the Secretary'' and all that follows and inserting '', and''; and

(B) by adding at the end the following new paragraph:

''(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before September 30, 1995.

''(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

''(ii) The percentage specified in this clause is 80 percent.''.

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

**SEC. 545. TECHNICAL ASSISTANCE.**

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

''(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

''(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

''(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.''.

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 516 of this title, is amended by adding at the end the following new subsection:

''(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.''.

**SEC. 546. REPORTS AND DATA COLLECTION BY THE SECRETARY.**

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking ''this part;'' and inserting ''this part, including—''; and

(B) by adding at the end the following new clauses:

''(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

''(ii) the cost to the States and to the Federal Government of so furnishing the services; and

''(iii) the number of cases involving families—

''(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

''(II) with respect to whom a child support payment was received in the month;''.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking ''with the data required under each clause being separately stated for cases'' and inserting ''separately stated for (1) cases'';

(ii) by striking ''cases where the child was formerly receiving'' and inserting ''or formerly received'';

(iii) by inserting ''or 1912'' after ''471(a)(17)''; and

(iv) by inserting ''(2)'' before ''all other'';

(B) in each of clauses (i) and (ii), by striking '', and the total amount of such obligations'';

(C) in clause (iii), by striking ''described in'' and all that follows and inserting ''in which support was collected during the fiscal year;'';

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

''(iv) the total amount of support collected during such fiscal year and distributed as current support;

''(v) the total amount of support collected during such fiscal year and distributed as arrearages;

''(vi) the total amount of support due and unpaid for all fiscal years; and''.

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking ''on the use of Federal courts and''.

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking ''and'';

(B) in subparagraph (I), by striking the period and inserting ''; and''; and

(C) by inserting after subparagraph (I) the following new subparagraph:

''(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).''.

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1997 and succeeding fiscal years.

## Subtitle F—Establishment and Modification of Support Orders

**SEC. 551. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.**

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

''(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State may review and adjust each support order being enforced under this part if there is an assignment under part A, or shall review and adjust each support order being enforced under this part upon the request of either parent. Such procedures shall provide the following:

''(A) IN GENERAL.—

''(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

''(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

''(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

''(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

''(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

''(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

''(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

''(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.''.

**SEC. 552. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.**

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

''(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

''(A) the consumer report is needed for the purpose of establishing an individual's capacity to make child support payments or determining the appropriate level of such payments;

''(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

''(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

''(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

''(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.''.

**SEC. 553. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.**

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

**''SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.**

''(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

''(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

''(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

''(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

''(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

''(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

''(A) the greater of—

''(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

''(ii) the sum of—

''(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

''(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

''(B) the costs (including attorney's fees) of the action.

''(d) DEFINITIONS.—For purposes of this section—

''(1) FINANCIAL INSTITUTION.—The term 'financial institution' means—

''(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

''(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(u));

''(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

''(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

''(2) FINANCIAL RECORD.—The term ''financial record'' has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).''.

## Subtitle G—Enforcement of Support Orders

**SEC. 561. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.**

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking ''and'' at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting '', and'';

(3) by adding at the end the following new paragraph:

''(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor.''; and

(4) by striking ''Secretary of Health, Education, and Welfare'' each place it appears and inserting ''Secretary of Health and Human Services''.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

**SEC. 562. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.**

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

**''SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.**

''(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

''(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

''(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

''(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

''(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

''(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

''(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

''(A) as soon as possible (but not later than 15 days) thereafter, send written notice of

the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

''(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

''(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

''(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

''(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

''(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

''(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

''(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

''(f) RELIEF FROM LIABILITY.—

''(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

''(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

''(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

''(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

''(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

''(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

''(h) MONEYS SUBJECT TO PROCESS.—

''(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

''(A) consist of—

''(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

''(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

''(I) under the insurance system established by title II;

''(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

''(III) as compensation for death under any Federal program;

''(IV) under any Federal program established to provide 'black lung' benefits; or

''(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

''(iii) worker's compensation benefits paid under Federal or State law but

''(B) do not include any payment—

''(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

''(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

''(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

''(A) are owed by the individual to the United States;

''(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

''(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

''(D) are deducted as health insurance premiums;

''(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

''(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

''(i) DEFINITIONS.—For purposes of this section—

''(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

''(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and fees, interest and penalties, income withholding, attorney's fees, and other relief.

''(3) ALIMONY.—

''(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

''(B) EXCEPTIONS.—Such term does not include—

''(i) any child support; or

''(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

''(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

''(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

''(A) which is issued by—

''(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

''(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

''(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

''(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.''.

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking ''sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)'' and inserting ''section 459 of the Social Security Act (42 U.S.C. 659)''.

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

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

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding after subparagraph (C) the following new subparagraph:

''(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.''.

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting ''or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p)),'' before ''which—'';

(B) in subparagraph (B)(i), by striking ''(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))'' and inserting ''(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2)))''; and

(C) in subparagraph (B)(ii), by striking ''(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))'' and inserting ''(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 659(i)(3)))''.

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting ''(OR FOR BENEFIT OF)'' before ''SPOUSE OR''; and

(B) in paragraph (1), in the 1st sentence, by inserting ''(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)'' before ''in an amount sufficient''.

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

''(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this title.

**SEC. 563. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.**

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

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

(A) The term ''court'' has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term ''child support'' has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 562(c)(4) of this title, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

''(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.''.

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: ''In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act (42 U.S.C. 608(a)(4)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.''.

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

''(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.''.

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

**SEC. 564. VOIDING OF FRAUDULENT TRANSFERS.**

Section 466 (42 U.S.C. 666), as amended by section 521 of this title, is amended by adding at the end the following new subsection:

''(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

''(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

''(B) the Uniform Fraudulent Transfer Act of 1984; or

''(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

''(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

''(A) seek to void such transfer; or

''(B) obtain a settlement in the best interests of the child support creditor.''.

**SEC. 565. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.**

(a) IN GENERAL.—Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), and 523 of this title, is amended by adding at the end the following new paragraph:

''(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

''(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

''(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

''(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

''(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established

under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.''.

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C.666(a)) is amended by striking ''and (7)'' and inserting ''(7), and (15)''.

**SEC. 566. DEFINITION OF SUPPORT ORDER.**

Section 453 (42 U.S.C. 653) as amended by sections 516 and 515(b) of this title, is amended by adding at the end the following new subsection:

''(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.''.

**SEC. 567. REPORTING ARREARAGES TO CREDIT BUREAUS.**

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

''(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

''(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

''(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subparagraph (A), information with respect to a noncustodial parent is reported—

''(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

''(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).''.

**SEC. 568. LIENS.**

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

''(4) LIENS.—Procedures under which—

''(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

''(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, when the State agency, party, or other entity seeking to enforce such a lien complies with the procedural rules relating to recording or serving liens that arise within the State, except that such rules may not require judicial notice or hearing prior to the enforcement of such a lien.''.

**SEC. 569. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, and 565 of this title, is amended by adding at the end the following:

''(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.''.

**SEC. 570. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.**

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 545 of this title, is amended by adding at the end the following new subsection:

''(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant paragraph (2).

''(2) The Secretary of State shall, upon certification by the Secretary transmitted under paragraph (1), refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

''(3) The Secretary and the Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.''.

(2) STATE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(b), 513(a), 533, and 543(b) of this title, is amended—

(A) by striking ''and'' at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting ''; and''; and

(C) by adding after paragraph (30) the following new paragraph:

''(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

''(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

''(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.''.

(b) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1997.

**SEC. 571. INTERNATIONAL SUPPORT ENFORCEMENT.**

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 562(a) of this title, is amended by adding after section 459 the following new section:

**''SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.**

''(a) AUTHORITY FOR DECLARATIONS.—

''(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

''(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

''(A) the procedures established by the foreign country regarding the establishment and enforcement of duties of support have been so changed, or the foreign country's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

''(B) continued operation of the declaration is not consistent with the purposes of this part.

''(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

''(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

''(1) MANDATORY ELEMENTS.—Support enforcement procedures of a foreign country which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

''(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

''(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

''(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of child support payments under such orders.

''(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

''(C) An agency of the foreign country is designated as a Central Authority responsible for—

''(i) facilitating support enforcement in cases involving residents of the foreign country and residents of the United States; and

''(ii) ensuring compliance with the standards established pursuant to this subsection.

''(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

''(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate support enforcement in cases involving residents of the United States and residents of foreign countries that are the subject of a declaration under this section, by activities including—

''(1) development of uniform forms and procedures for use in such cases;

''(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

''(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

''(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.''.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 501(b), 503(a), 512(b), 513(a), 533, 543(b), and 570(a)(2) of this title, is amended—

(1) by striking ''and'' at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting ''; and''; and

(3) by adding after paragraph (31) the following new paragraph:

''(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in

section 459A(d)(2) shall be treated as a request by a State;

''(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

''(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).''.

**SEC. 572. FINANCIAL INSTITUTION DATA MATCHES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, 565, and 569 of this title, is amended by adding at the end the following new paragraph:

''(17) FINANCIAL INSTITUTION DATA MATCHES.—

''(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

''(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

''(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

''(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

''(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

''(i) for any disclosure of information to the State agency under subparagraph (A)(i);

''(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

''(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

''(D) DEFINITIONS.—For purposes of this paragraph—

''(i) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given to such term by section 469A(d)(1).

''(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.''.

**SEC. 573. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, 565, 569, and 572 of this title, is amended by adding at the end the following new paragraph:

''(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parent of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parent of such child.''.

**SEC. 574. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.**

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (16) by striking the period at the end and inserting ''; or'',

(2) by adding at the end the following:

''(17) owed under State law to a State or municipality that is—

''(A) in the nature of support, and

''(B) enforceable under part D of title IV of the Social Security Act (42 U.S.C. 601 et seq.).'', and

(3) in paragraph (5), by striking ''section 402(a)(26)'' and inserting ''section 408(a)(4)''.

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) (42 U.S.C. 656(b)) is amended to read as follows:

''(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) owed under State law to a State (as defined in such section) or municipality (as defined in such section) that is in the nature of support and that is enforceable under this part is not released by a discharge in bankruptcy under title 11 of the United States Code.''.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the date of the enactment of this title.

## Subtitle H—Medical Support

**SEC. 581. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.**

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking ''issued by a court of competent jurisdiction'';

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

''if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this title.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this title and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

**SEC. 582. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 515, 517(a), 523, 565, 569, 572, and 573 of this title, is amended by adding at the end the following new paragraph:

''(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.''.

## Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents

**SEC. 591. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.**

Part D of title IV (42 U.S.C. 651–669), as amended by section 553, is amended by adding at the end the following new section:

**''SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.**

''(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

''(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

''(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

''(2) the allotment of the State under subsection (c) for the fiscal year.

''(c) ALLOTMENTS TO STATES.—

''(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

''(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

''(A) $50,000 for fiscal year 1997 or 1998; or

''(B) $100,000 for any succeeding fiscal year.

''(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

''(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

''(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

''(2) shall not be required to operate such programs on a statewide basis; and

''(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.''.

## Subtitle J—Effective Dates and Conforming Amendments

**SEC. 595. EFFECTIVE DATES AND CONFORMING AMENDMENTS.**

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act,

or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(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 is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

(d) CONFORMING AMENDMENTS.—

(1) The following provisions are amended by striking ''absent'' each place it appears and inserting ''noncustodial'':

(A) Section 451 (42 U.S.C. 651).

(B) Subsections (a)(1), (a)(8), (a)(10)(E), (a)(10)(F), (f), and (h) of section 452 (42 U.S.C. 652).

(C) Subsections (a) and (f) of section 453 (42 U.S.C. 653).

(D) Paragraphs (8), (13), and (21)(A) of section 454 (42 U.S.C. 654).

(E) Section 455(e)(1) (42 U.S.C. 655(e)(1)).

(F) Section 458(a) (42 U.S.C. 658(a)).

(G) Subsections (a), (b), and (c) of section 463 (42 U.S.C. 663).

(H) Subsections (a)(3)(A), (a)(3)(C), (a)(6), and (a)(8)(B)(ii), the last sentence of subsection (a), and subsections (b)(1), (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(8), (b)(9), and (e) of section 466 (42 U.S.C. 666).

(2) The following provisions are amended by striking ''an absent'' each place it appears and inserting ''a noncustodial'':

(A) Paragraphs (2) and (3) of section 453(c) (42 U.S.C. 653(c)).

(B) Subparagraphs (B) and (C) of section 454(9) (42 U.S.C. 654(9)).

(C) Section 456(a)(3) (42 U.S.C. 656(a)(3)).

(D) Subsections (a)(3)(A), (a)(6), (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section 466 (42 U.S.C. 666).

(E) Paragraphs (2) and (4) of section 469 (42 U.S.C. 669).

## TITLE VI—SUPPLEMENTAL SECURITY INCOME REFORM

### Subtitle A—Eligibility Restrictions

**SEC. 601. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.**

(a) IN GENERAL.—Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following:

''(5) An individual shall not be considered an eligible individual for purposes of this title during the 10-year period beginning on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive benefits simultaneously from 2 or more States under programs that are funded under part A of title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

**SEC. 602. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.**

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by inserting after paragraph (2) the following new paragraph:

''(3) A person shall not be an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

''(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(B) violating a condition of probation or parole imposed under Federal or State law.''.

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1631(e) (42 U.S.C. 1383(e)) is amended by inserting after paragraph (3) the following new paragraph:

''(4) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, social security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the agency with the name of the recipient and notifies the agency that—

''(A) the recipient—

''(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State;

''(ii) is violating a condition of probation or parole imposed under Federal or State law; or

''(iii) has information that is necessary for the officer to conduct the officer's official duties; and

''(B) the location or apprehension of the recipient is within the officer's official duties.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective on and after the date of the enactment of this Act.

**SEC. 603. TREATMENT OF PRISONERS.**

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

''(I)(i) The Commissioner shall enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

''(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

''(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after such individual becomes an inmate of such institution, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

''(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.

''(iii) Payments to institutions required by clause (i)(II) shall be made from funds otherwise available for the payment of benefits under this title and shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.''.

(b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED SSI BENEFITS WHILE IN PRISON.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)), as amended by subsection (a)(1), is amended by adding at the end the following new subparagraph:

''(J) In any case in which the Commissioner of Social Security finds that a person has made a fraudulent statement or representation in order to obtain or to continue to receive benefits under this title while being an inmate in a penal institution, such person shall not be considered an eligible individual or eligible spouse for any month ending during the 10-year period beginning on the date on which such person ceases being such an inmate.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to statements or representations made on or after the date of the enactment of this Act.

(d) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out sections 202(x) and 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner under section 202(x)(3)(B) or 1611(e)(1)(I) of the Social Security Act furnish the information required by such contracts to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

**SEC. 604. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.**

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

''(A) the first day of the month following the date such application is filed, or

''(B) the first day of the month following the date such individual becomes eligible for

such benefits with respect to such application.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking ''at the time the application or request is filed'' and inserting ''on the first day of the month following the date the application or request is filed''.

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting ''following the month'' after ''beginning with the month''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

**Subtitle B—Benefits for Disabled Children**

**SEC. 611. DEFINITION AND ELIGIBILITY RULES.**

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking ''An individual'' and inserting ''Except as provided in subparagraph (C), an individual'';

(2) in subparagraph (A), by striking ''(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)'';

(3) by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

''(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.''; and

(5) in subparagraph (F), as redesignated by paragraph (3), by striking ''(D)'' and inserting ''(E)''.

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; MISCELLANEOUS PROVISIONS.—

(1) IN GENERAL.—The provisions of, and amendments made by, subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such provisions and amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the provisions of, and amendments made by, subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—During the period beginning on January 1, 1997, and ending not later than December 31, 1997, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of, and amendments made by, subsection (a) or (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after January 1, 1998.

(C) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

(4) APPROPRIATIONS.—

(A) IN GENERAL.—Out of any money in the Treasury not otherwise appropriated, there are authorized to be appropriated and are hereby appropriated, to remain available without fiscal year limitation, $200,000,000 for fiscal year 1996, $75,000,000 for fiscal year 1997, and $25,000,000 for fiscal year 1998, for the Commissioner of Social Security to utilize only for continuing disability reviews and redeterminations under title XVI of the Social Security Act, with reviews and redeterminations for individuals affected by the provisions of subsection (b) given highest priority.

(B) ADDITIONAL FUNDS.—Amounts appropriated under subparagraph (A) shall be in addition to any funds otherwise appropriated for continuing disability reviews and redeterminations under title XVI of the Social Security Act.

(5) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

**SEC. 612. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.**

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as redesignated by section 611(a)(3), is amended—

(1) by inserting ''(i)'' after ''(H)''; and

(2) by adding at the end the following new clause:

''(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

''(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.''.

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a), is amended by adding at the end the following new clause:

''(iii) If an individual is eligible for benefits under this title by reason of disability for the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

''(I) during the 1-year period beginning on the individual's 18th birthday; and

''(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.''.

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsections (a) and (b), is amended by adding at the end the following new clause:

''(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

''(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

''(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

**SEC. 613. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking ''and'' at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting ''; and'', and

by adding after subclause (IV) the following new subclause:

''(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following new clause:

''(xiv)(I) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

''(aa) education and job skills training;

''(bb) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

''(cc) appropriate therapy and rehabilitation.

''(II) The knowing and willful misuse of funds from an account established under subclause (I) by a representative payee for any purpose not authorized by subclause (I) shall constitute fraud and shall be subject to penalties under section 1632.''.

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b) is amended—

(A) by striking ''and'' at the end of paragraph (9),

(B) by striking the period at the end of paragraph (10) the first place it appears and inserting a semicolon,

(C) by redesignating paragraph (10) the second place it appears as paragraph (11) and striking the period at the end of such paragraph and inserting ''; and'', and

(D) by inserting after paragraph (11), as so redesignated, the following new paragraph:

''(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

**SEC. 614. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED CHILDREN WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.**

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking ''or'' after ''XIX,''; and

(2) by inserting ''or, in the case of an eligible individual under the age of 18 receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance'' after ''section 1614(f)(2)(B),''.

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning 90 days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

**SEC. 615. MODIFICATION RESPECTING PARENTAL INCOME DEEMED TO DISABLED CHILDREN.**

(a) IN GENERAL.—Section 1614(f)(2) (42 U.S.C. 1382c(f)(2)) is amended—

(1) by adding at the end of subparagraph (A) the following: ''For purposes of the preceding sentence, the income of such parent or spouse of such parent shall be reduced by—

''(A) the allocation for basic needs described in subparagraph (C)(i); and

''(B) the earned income disregard described in subparagraph (C)(ii).''; and

(2) by adding at the end the following:

''(C)(i) The allocation for basic needs described by this clause is—

''(I) in the case of an individual who does not have a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who does not have an eligible spouse; or

''(II) in the case of an individual who has a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who has an eligible spouse.

''(ii) The earned income disregard described by this clause is an amount determined by deducting the first $780 per year (or proportionally smaller amounts for shorter periods) plus 64 percent of the remainder from the earned income (determined in accordance with section 1612(a)(1)) of the parent (and spouse, if any).''.

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following:

''(f) Any child who has not attained 18 years of age and who would be eligible for a payment under this title but for the amendment made by section 615(a) of the Work First Act of 1996 shall be deemed to be receiving such payment for purposes of eligibility of the child for medical assistance under a State plan approved under title XIX of this Act.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months after 1996.

**Subtitle C—Enforcement Provisions**

**SEC. 621. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.**

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

''(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

''(i) 12, and

''(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

''(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

''(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

''(iii) In the case of an individual who has—

''(I) outstanding debt attributable to—

''(aa) food,

''(bb) clothing,

''(cc) shelter, or

''(dd) medically necessary services, supplies or equipment, or medicine; or

''(II) current expenses or expenses anticipated in the near term attributable to—

''(aa) medically necessary services, supplies or equipment, or medicine, or

''(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

''(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

''(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

''(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

''(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.''.

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting ''(subject to paragraph (10))'' immediately before ''in such installments''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits payable under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

**Subtitle D—Studies Regarding Supplemental Security Income Program**

**SEC. 631. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.**

Title XVI is amended by adding at the end the following new section:

**''SEC. 1636. ANNUAL REPORT ON PROGRAM.**

''(a) DESCRIPTION OF REPORT.—Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

''(1) a comprehensive description of the program;

''(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

''(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

''(4) projections of future number of recipients and program costs, through at least 25 years;

''(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

''(6) data on the utilization of work incentives;

''(7) detailed information on administrative and other program operation costs;

''(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

''(9) State supplementation program operations;

''(10) a historical summary of statutory changes to this title; and

''(11) such other information as the Commissioner deems useful.

''(b) VIEWS OF MEMBERS OF THE SOCIAL SECURITY ADVISORY COUNCIL.—Each member of the Social Security Advisory Council shall

be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.''.

**SEC. 632. IMPROVEMENTS TO DISABILITY EVALUATION.**

(a) REQUEST FOR COMMENTS.—

(1) IN GENERAL.—Not later than 60 days after the date of the enactment of this Act, the Commissioner of Social Security shall issue a request for comments in the Federal Register regarding improvements to the disability evaluation and determination procedures for individuals under age 18 to ensure the comprehensive assessment of such individuals, including—

(A) additions to conditions which should be presumptively disabling at birth or ages 0 through 3 years;

(B) specific changes in individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations;

(C) improvements in regulations regarding determinations based on regulations providing for medical and functional equivalence to such Listing of Impairments, and consideration of multiple impairments; and

(D) any other changes to the disability determination procedures.

(2) REVIEW AND REGULATORY ACTION.—The Commissioner of Social Security shall promptly review such comments and issue any regulations implementing any necessary changes not later than 18 months after the date of the enactment of this Act.

**SEC. 633. STUDY OF DISABILITY DETERMINATION PROCESS.**

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

**SEC. 634. STUDY BY GENERAL ACCOUNTING OFFICE.**

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act.

**Subtitle E—National Commission on the Future of Disability**

**SEC. 641. ESTABLISHMENT.**

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the ''Commission''), the expenses of which shall be paid from funds otherwise appropriated for the Social Security Administration.

**SEC. 642. DUTIES OF THE COMMISSION.**

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

**SEC. 643. MEMBERSHIP.**

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General shall serve on the Commission as an ex officio member of the Commission to advise and oversee the methodology and approach of the study of the Commission.

(c) PROHIBITION AGAINST OFFICER OR EMPLOYEE.—No officer or employee of any government shall be appointed under subsection (a).

(d) DEADLINE FOR APPOINTMENT; TERM OF APPOINTMENT.—Members of the Commission shall be appointed not later than 60 days after the date of the enactment of this Act. The members shall serve on the Commission for the life of the Commission.

(e) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(f) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(g) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(h) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(i) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(j) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(k) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

**SEC. 644. STAFF AND SUPPORT SERVICES.**

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent

services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

**SEC. 645. POWERS OF COMMISSION.**

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devices of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devices shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

**SEC. 646. REPORTS.**

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 647, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

**SEC. 647. TERMINATION.**

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

## TITLE VII—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

**SEC. 700. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.**

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of ensuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to ensure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this title, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of ensuring that aliens be self-reliant in accordance with national immigration policy.

### Subtitle A—Eligibility for Federal Benefits

**SEC. 701. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.**

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 731(b)) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) CERTAIN FEDERAL PUBLIC BENEFITS.—Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Care and services for the treatment of an emergency medical condition, as defined in section 1903(v)(3) of the Social Security Act, provided under a State plan approved under title XIX of such Act.

(B) Short-term, non-cash, in-kind emergency relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which—

(i) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(iii) are necessary for the protection of life, safety, or public health.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(F) Assistance or benefits under—

(i) the National School Lunch Act (42 U.S.C. 1751 et seq.);

(ii) the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.);

(iii) section 4 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–86; 7 U.S.C. 612c note);

(iv) the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note);

(v) section 110 of the Hunger Prevention Act of 1988 (Public Law 100–435; 7 U.S.C. 612c note); or

(vi) the food distribution program on Indian reservations established under section 4(b) of Public Law 88–525 (7 U.S.C. 2013(b)).

(G) The provision of any services or benefits directly related to—

(i) assisting the victims of domestic violence; or

(ii) protecting or assisting abused or neglected children.

(H) Services provided under the Head Start Act (42 U.S.C. 9831 et seq.).

(I) Services provided by a—

(i) migrant or community health center under section 329 or 330 of the Public Health Service Act; or

(ii) school-based health clinic.

(J) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act.

(K) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965 and programs under titles III, VII, and VIII of the Public Health Service Act.

(L) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(2) BATTERED OR ABUSED INDIVIDUALS.—Subsection (a) shall not apply—

(A) for up to 48 months if the alien can demonstrate—

(i) that—

(I) the alien has been battered or subject to extreme cruelty in the United States by a spouse, parent, or child, or by a member of the spouse's, parent's, or child's family residing in the same household as the alien and the spouse, parent, or child consented or acquiesced to such battery or cruelty; or

(II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty; and

(ii) that the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II) of clause (i); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of this title the term ''Federal public benefit'' means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) EXCEPTIONS.—The term ''Federal public benefit'' shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

**SEC. 702. LIMITED ELIGIBILITY OF CERTAIN QUALIFIED ALIENS FOR SSI BENEFITS.**

(a) LIMITED ELIGIBILITY FOR SSI BENEFITS.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 731(b)) is not eligible for the supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

(b) EXCEPTIONS.—

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—Subsection (a) shall not apply to—

(A) an alien who has been admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(B) an alien who has been granted asylum under section 208 of such Act; or

(C) an alien whose deportation has been withheld under section 243(h) of such Act.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—Subsection (a) shall not apply to an alien—

(A) who is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has had paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 40 different calendar quarters, and (ii) did not receive any Federal means-tested public benefit (as defined in section 703(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—Subsection (a) shall not apply to an alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage;

(B) on active duty (other than active duty for training) in the Armed Forces of the United States; or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) EXCEPTION FOR BATTERED INDIVIDUALS AND CHILDREN.—Subsection (a) shall not apply in the case of an exception described in section 701(b)(2).

(5) DISABILITY EXCEPTION.—Subparagraph (a) shall not apply to an alien who has been lawfully admitted to the United States for permanent residence, and who since the date of such lawful admission, has become blind or disabled, as those terms are defined in section 1614 of the Social Security Act (42 U.S.C. 1382c).

(c) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—

(1) APPLICATION AFTER JANUARY 1, 1998.—Subsection (a) shall apply to the eligibility of an alien for the benefits described in such subsection for months beginning on or after January 1, 1998, if, on the date of the enactment of this Act, the alien is lawfully residing in any State and is receiving such benefits on the date of the enactment of this Act.

(2) REDETERMINATION OF BENEFITS.—During the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under the supplemental security income program under title XVI of the Social Security Act, including supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66, as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this section.

(3) REDETERMINATION CRITERIA.— With respect to any redetermination under paragraph (2), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under the program and agreements described in such paragraph.

(4) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in paragraph (2) of the provisions of this section.

**SEC. 703. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.**

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 731(b)) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of 5 years beginning on the date of the alien's entry into the United States with a status within the meaning of the term ''qualified alien''.

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the any alien described in section 702(b).

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of this title, the term ''Federal means-tested public benefit'' means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both, are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) EXCEPTION.—Such term does not include any Federal public benefit described in section 701(b)(1).

**SEC. 704. NOTIFICATION AND INFORMATION REPORTING.**

Each Federal agency that administers a program to which section 701, 702, or 703 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this title.

## Subtitle B—Eligibility for State and Local Public Benefits Programs

**SEC. 711. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.**

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not described under one of the following paragraphs of this subsection is not eligible for any State or local public benefit (as defined in subsection (c)):

(1) A qualified alien (as defined in section 731(b)).

(2) A nonimmigrant, as determined under the Immigration and Nationality Act.

(3) An alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(4) An alien described in section 701(b)(2).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Care and services for the treatment of an emergency medical condition, as defined in section 1903(v)(3) of the Social Security Act.

(2) Short-term, noncash, in-kind emergency relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the appropriate State official which—

(A) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(C) are necessary for the protection of life, safety, or public health.

(5) Family violence services.

(6) Benefits or services to protect abused or neglected children.

(7) School meals and child nutrition services.

(8) Prenatal health care services.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) IN GENERAL.—Except as provided in paragraph (2), for purposes of this section the term ''State or local public benefit'' means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) EXCEPTIONS.—The term ''State or local public benefit'' shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who, as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act, qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under the provisions of subsection (a).

(e) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to limit the option of a State to provide preventative health care to an alien who would otherwise be ineligible for such health care under the provisions of this section.

**Subtitle C—Attribution of Income and Affidavits of Support**

**SEC. 721. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN FOR PURPOSES OF MEDICAID, FOOD STAMPS, AND TEA ELIGIBILITY.**

(a) ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES.—

(1) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien for the program of medical assistance under title XIX of the Social Security Act, the Food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, and the temporary employment assistance program funded under part A of title IV of the Social Security Act, the income and resources of the alien shall be deemed to include the following:

(A) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 723) on behalf of such alien.

(B) The income and resources of the spouse (if any) of such affiant.

(2) DETERMINATION OF INCOME AND RESOURCES.—

(A) INCOME.—For each program referred to in paragraph (1), the amount of income which shall be deemed to an alien under this section shall be determined by calculating the countable yearly income received by the sponsor and the sponsor's spouse according to the regulations for determining income eligibility applicable to the program involved, and deducting therefrom an amount equal to the poverty line, as defined in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2), (including any revision required by such section) applicable to a family of the same size as such sponsor's and such spouse's family.

(B) RESOURCES.—For each program referred to in paragraph (1), the amount of resources which shall be deemed to be the resources of an alien under this section shall be determined by calculating the total value of countable resources owned by and available to the sponsor and the sponsor's spouse. Such amount shall not include the sponsor's personal property, primary place of residence, property used to generate income, or such other resources as are designated by the agency charged with administering the affected program.

(b) APPLICATION.—

(1) IN GENERAL.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(A) achieves United States citizenship through naturalization pursuant to the Immigration and Nationality Act; or

(B)(i) pays, or has paid, with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 40 different calendar quarters, and (ii) did not receive any Federal means-tested public benefit (as defined in section 703(c)) during any such quarter.

(2) CREDIT FOR SPOUSES AND CHILDREN.—An alien not meeting the requirements of paragraph (1)(B)(i) shall be treated as meeting such requirements if—

(A) the spouse of such alien has met such requirements and the alien and spouse filed a joint income tax returns covering the 40 calendar quarters referred to in such paragraph; or

(B) the individual who claimed such alien as a dependent on an income tax return covering such quarters met such requirements for such quarters.

(3) EXCEPTIONS.—Subsection (a) shall not apply to—

(A) any alien described in—

(i) section 701(b)(2); or

(ii) section 702(b); or

(B) any alien woman who is pregnant.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien is required to reapply for benefits under any of the programs described in section 721(a)(1), the State agency administering such plan shall review the income and resources attributed to the alien under subsection (a).

(d) OTHER MEMBERS OF THE ALIEN'S HOUSEHOLD.—The deemed income and resources of a sponsored alien shall not affect the eligibility or amount of benefits of any other individuals who are members of such alien's family or household.

**SEC. 722. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.**

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—

(1) IN GENERAL.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State or local public benefits (as defined in section 712(c)) that are means-tested, the State or political subdivision that offers the benefits may provide that the income and resources of the alien shall be deemed to include—

(A) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 723) on behalf of such alien; and

(B) the income and resources of the spouse (if any) of the affiant.

(2) DETERMINATION OF INCOME AND RESOURCES.—The maximum amount of a sponsor's income and resources that a State may attribute to an alien applying for State public benefits (as defined in section 712(c)) that are means-tested under this section shall be determined in accordance with the provisions of section 721(a)(2).

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, noncash, in-kind emergency relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the appropriate State official which—

(A) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(C) are necessary for the protection of life, safety, or public health.

(8) Prenatal health care services.

(9) Services and benefits provided to an alien who is described in section 702(b)(5).

**SEC. 723. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.**

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

''REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

''SEC. 213A. (a) ENFORCEABILITY.—

''(1) IN GENERAL.—No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

''(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

''(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

''(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

''(2) ENFORCEMENT PERIOD.—A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

''(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

''(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in sections 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection,

and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

''(d) NOTIFICATION OF CHANGE OF ADDRESS.—

''(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

''(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

''(A) not less than $250 or more than $2,000; or

''(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

''(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—

''(1) PROCEDURE FOR REIMBURSEMENT.—

''(A) REQUEST FROM SPONSOR.—Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

''(B) REGULATIONS.—The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

''(2) CAUSES OF ACTION.—

''(A) IN GENERAL.—If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

''(B) UPON FAILURE TO ABIDE BY TERMS OF REPAYMENT.—If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

''(3) LIMITATION.—No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

''(4) AUTHORITY TO CONTRACT.—If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

''(f) DEFINITIONS.—For the purposes of this section—

''(1) SPONSOR.—The term 'sponsor' means an individual who—

''(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

''(B) has attained the age of 18 years; and

''(C) is domiciled in the United States or in any territory or possession thereof.

''(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.''.

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

''Sec. 213A. Requirements for sponsor's affidavit of support.''.

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act (as inserted by subsection (a) of this section) shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall not be earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of section 213A of such Act (as so inserted).

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to—

(1) any alien described in—

(A) section 701(b)(2); or

(B) section 702(b);

(2) any alien woman who is pregnant; or

(3) any of the following benefits:

(A) Care and services for the treatment of an emergency medical condition, as defined in section 1903(v)(3) of the Social Security Act, provided under a State plan approved under title XIX of such Act, and prenatal services provided under a State plan approved under such title.

(B) Short-term, noncash, in-kind emergency relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of symptoms of communicable diseases, whether or not such symptoms are actually caused by a communicable disease, and assistance for treatment of communicable diseases.

(F) Payments for foster care and adoption assistance under part E of title IV of the Social Security Act for a child.

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which—

(i) deliver in-kind services at the community level, including through public or private nonprofit agencies;

(ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(iii) are necessary for the protection of life, safety, or public health.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965 and programs under titles III, VII, and VIII of the Public Health Service Act.

(I) Benefits or services provided by a migrant or community health center under section 329 or 330 of the Public Health Service Act.

(J) Family violence services.

**Subtitle D—General Provisions**

**SEC. 731. DEFINITIONS.**

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—

(1) IN GENERAL.—For purposes of this title, the term ''qualified alien'' means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is lawfully present in the United States.

(2) REGULATIONS.—The determination of whether an alien is lawfully present in the United States shall be made in accordance with regulations of the Attorney General. An alien shall not be considered to be lawfully present in the United States for the purposes of this title merely because the alien may be considered to be permanently residing in the United States under color of law for purposes of any particular program.

**SEC. 732. STATUTORY CONSTRUCTION.**

(a) LIMITATION.—

(1) IN GENERAL.—Nothing in this title shall be construed as an entitlement or as a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this title, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) NO EFFECT ON ELIGIBILITY FOR EDUCATION.—Nothing in this title may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This title does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

**SEC. 733. TITLE INAPPLICABLE TO PROGRAMS SPECIFIED BY ATTORNEY GENERAL.**

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which—

(1) deliver services at the community level, including through public or private nonprofit agencies;

(2) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and

(3) are necessary for the protection of life, safety or the public health.

**SEC. 734. TITLE INAPPLICABLE TO PROGRAMS OF NONPROFIT CHARITABLE ORGANIZATIONS.**

(a) IN GENERAL.—Nothing in this Act shall be construed as requiring a nonprofit charitable organization operating any program of assistance provided or funded, in whole or in part, by the Federal Government or by the

government of any State or political subdivision of a State to—

(1) determine, verify, or otherwise require proof of the eligibility, as determined under this title, of any applicant for benefits or assistance under such program; or

(2) deem that the income or assets of any applicant for benefits or assistance under such program include the income or assets of an individual described in subparagraph (A) or (B) of section 721(a)(1).

(b) NO EFFECT ON FEDERAL AUTHORITY TO DETERMINE COMPLIANCE.—Nothing in this section shall be construed as prohibiting the Federal Government from determining the eligibility of any individual for any Federal public benefit as defined section 701(c)), or for any State or local public benefits (as defined in section 711(c)).

### Subtitle E—Conforming Amendments

**SEC. 741. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.**

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking ''Secretary of Housing and Urban Development'' each place it appears and inserting ''applicable Secretary'';

(2) in subsection (b), by inserting after ''National Housing Act,'' the following: ''the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,'';

(3) in paragraphs (2) through (6) of subsection (d), by striking ''Secretary'' each place it appears and inserting ''applicable Secretary'';

(4) in subsection (d), in the matter following paragraph (6), by striking ''the term 'Secretary'' and inserting ''the term 'applicable Secretary''''; and

(5) by adding at the end the following new subsection:

''(h) For purposes of this section, the term 'applicable Secretary' means—

''(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

''(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.''.

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking ''(1)'';

(2) by striking ''by the Secretary of Housing and Urban Development''; and

(3) by striking paragraph (2).

## TITLE VIII—FOOD ASSISTANCE

### Subtitle A—Food Stamp Program

**SEC. 801. DEFINITION OF CERTIFICATION PERIOD.**

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking ''Except as provided'' and all that follows and inserting the following: ''The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.''.

**SEC. 802. DEFINITION OF COUPON.**

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking ''or type of certificate'' and inserting ''type of certificate, authorization card, cash or check issued in lieu of a coupon, or access device, including an electronic benefit transfer card or personal identification number,''.

**SEC. 803. TREATMENT OF CHILDREN LIVING AT HOME.**

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking ''(who are not themselves parents living with their children or married and living with their spouses)''.

**SEC. 804. ADJUSTMENT OF THE THRIFTY FOOD PLAN.**

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking ''and (11) on'' and inserting ''(11) on'';

(2) in paragraph (11), by inserting after ''October 1 thereafter'' the following: ''through the last day of the first month following the month of enactment of the Work First Act of 1996''; and

(3) by striking the period at the end and inserting the following: '', and (12) on the first day of the second month following the month of enactment of the Work First Act of 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on the first day of the second month after the month of enactment of the Work First Act of 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1995.''.

**SEC. 805. DEFINITION OF HOMELESS INDIVIDUAL.**

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting ''for not more than 90 days'' after ''temporary accommodation''.

**SEC. 806. STATE OPTION FOR ELIGIBILITY STANDARDS.**

Section 5(b) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking ''(b) The Secretary'' and inserting the following:

''(b) ELIGIBILITY STANDARDS.—Except as otherwise provided in this Act, the Secretary''.

**SEC. 807. EARNINGS OF STUDENTS.**

Section 5(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(7)) is amended by striking ''is 21 years of age or younger'' and inserting ''has not reached the age of 18''.

**SEC. 808. ENERGY ASSISTANCE.**

(a) COUNTING GOVERNMENTAL ENERGY ASSISTANCE AS INCOME.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking paragraph (11); and

(2) by redesignating paragraphs (12) through (16) as paragraphs (11) through (15), respectively.

(b) STANDARD UTILITY ALLOWANCE.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking ''If a State agency elects'' and all that follows through ''season for which it was provided.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(A) in paragraph (1)(B), by striking '', not including energy or utility-cost assistance,'';

(B) in paragraph (2)—

(i) by striking subparagraph (C); and

(ii) by redesignating subparagraphs (D) through (H) as subparagraphs (C) through (G), respectively; and

(C) by adding at the end the following:

''(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

''(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a Federal or State law to provide energy assistance to a household shall be considered money payable directly to the household.

''(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e), an expense paid on behalf of a household under a Federal or State law to provide energy assistance shall be considered an out-of-pocket expense incurred and paid by the household.''.

(2) Section 2605(f) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(f)) is amended—

(A) by striking ''(f)(1) Notwithstanding any other provision of law'' and inserting ''(f) Notwithstanding any other provision of law except the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.),'';

(B) in paragraph (1), by striking ''food stamps,''; and

(C) by striking paragraph (2).

**SEC. 809. REDUCTION IN THE STANDARD DEDUCTION.**

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking ''(e) In computing'' and all that follows through ''June 30. All households'' and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—The Secretary shall allow a standard deduction for each household in the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States of—

''(i) for fiscal year 1996, $130, $222, $183, $260, and $114, respectively; and

''(ii) for fiscal years 1997 through 2000, $122, $208, $171, $244, and $106, respectively.

''(B) ADJUSTMENT FOR INFLATION.—On October 1, 2000, and each October 1 thereafter, the Secretary shall adjust the standard deduction to the nearest lower dollar increment to reflect changes in the Consumer Price Index for all urban consumers published by the Bureau of Labor Statistics, for items other than food, for the 12-month period ending the preceding June 30.

''(2) OTHER DEDUCTIONS.—All households''.

**SEC. 810. MANDATORY USE OF A STANDARD UTILITY ALLOWANCE.**

Section 5(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(2)) (as amended by section 809) is amended by inserting after ''only for excess utility costs.'' the following: ''A State agency may make the use of a standard utility allowance mandatory for all households with qualifying utility costs if the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling and the Secretary finds that the standards will not result in increased program costs.''.

**SEC. 811. VEHICLE ASSET LIMITATION.**

The first sentence of section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended by striking ''through September 30, 1995'' and all that follows through ''such date and on'' and inserting ''and shall be adjusted on October 1, 1996, and''.

**SEC. 812. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.**

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) (as amended by section 808(c)(1)) is amended—

(1) by striking subparagraph (E); and

(2) by redesignating subparagraphs (F) and (G) as subparagraphs (E) and (F), respectively.

**SEC. 813. DOUBLED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.**

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i), by striking ''six months'' and inserting ''1 year''; and

(2) in clause (ii), by striking ''1 year'' and inserting ''2 years''.

**SEC. 814. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subclause (II), by striking ''or'' at the end;

(2) in subclause (III), by striking the period at the end and inserting ''; or''; and

(3) by inserting after subclause (III) the following:

''(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.''.

**SEC. 815. DISQUALIFICATION.**

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking ''(d)(1) Unless otherwise exempted by the provisions'' and all that follows through the end of paragraph (1) and inserting the following:

''(d) CONDITIONS OF PARTICIPATION.—

''(1) WORK REQUIREMENTS.—

''(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

''(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

''(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

''(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

''(I) the applicable Federal or State minimum wage; or

''(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

''(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

''(v) voluntarily and without good cause—

''(I) quits a job; or

''(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

''(vi) fails to comply with section 20.

''(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

''(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

''(ii) 180 days.

''(C) DURATION OF INELIGIBILITY.—

''(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 1 month after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

''(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 3 months after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

''(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 6 months after the date the individual became ineligible;

''(III) a date determined by the State agency; or

''(IV) at the option of the State agency, permanently.

''(D) ADMINISTRATION.—

''(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

''(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

''(iii) DETERMINATION BY STATE AGENCY.—

''(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

''(aa) the meaning of any term in subparagraph (A);

''(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

''(cc) whether an individual is in compliance with a requirement under subparagraph (A).

''(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

''(v) SELECTING A HEAD OF HOUSEHOLD.—

''(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

''(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

''(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

''(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

''(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.''.

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2026(b)(2)) is amended by striking ''6(d)(1)(i)'' and inserting ''6(d)(1)(A)(i)''.

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (f) and inserting the following:

''(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food stamp program for failing to comply with this section.''.

**SEC. 816. EMPLOYMENT AND TRAINING.**

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (A)—

(A) by striking ''Not later than April 1, 1987, each'' and inserting ''Each''; and

(B) by inserting ''work,'' after ''skills, training,'';

(2) in subparagraph (B)—

(A) in the matter preceding clause (i), by striking the colon at the end and inserting the following: '', except that the State agency shall retain the option to apply employment requirements prescribed under this subparagraph to a program applicant at the time of application:'';

(B) in clause (i), by striking ''with terms and conditions'' and all that follows through ''time of application''; and

(C) in clause (iv)—

(i) by striking subclauses (I) and (II); and

(ii) by redesignating subclauses (III) and (IV) as subclauses (I) and (II), respectively;

(3) in subparagraph (D)—

(A) in clause (i), by striking ''to which the application'' and all that follows through ''30 days or less'';

(B) in clause (ii), by striking ''but with respect'' and all that follows through ''child care''; and

(C) in clause (iii), by striking '', on the basis of'' and all that follows through ''clause (ii)'' and inserting ''the exemption continues to be valid'';

(4) in subparagraph (E), by striking the third sentence;

(5) in subparagraph (G)—

(A) by striking ''(G)(i) The State'' and inserting ''(G) The State''; and

(B) by striking clause (ii);

(6) in subparagraph (H), by striking ''(H)(i) The Secretary'' and all that follows through ''(ii) Federal funds'' and inserting ''(H) Federal funds'';

(7) in subparagraph (I)(i)(II), by striking '', or was in operation,'' and all that follows through ''Social Security Act'' and inserting the following: ''), except that the payment or reimbursement shall not exceed the applicable local market rate'';

(8)(A) by striking subparagraphs (K) and (L) and inserting the following:

''(K) LIMITATION ON FUNDING.—Notwithstanding any other provision of this paragraph, the amount of funds a State agency uses to carry out this paragraph (including under subparagraph (I)) for participants who are receiving benefits under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of funds the State agency used in fiscal year 1995 to carry out this paragraph for participants who were receiving benefits in fiscal year 1995 under a State program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.).''; and

(B) by redesignating subparagraphs (M) and (N) as subparagraphs (L) and (M), respectively; and

(9) in subparagraph (L) (as redesignated by paragraph (8)(B))—

(A) by striking ''(L)(i) The Secretary'' and inserting ''(L) The Secretary''; and

(B) by striking clause (ii).

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking ''(h)(1)(A) The Secretary'' and

all that follows through the end of paragraph (1) and inserting the following:

''(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

''(1) IN GENERAL.—

''(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of—

''(i) for fiscal year 1996, $75,000,000;

''(ii) for fiscal year 1997, $85,000,000;

''(iii) for fiscal year 1998, $95,000,000; and

''(iv) for fiscal years 1999 through 2002, $100,000,000.

''(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary).

''(C) REALLOCATION.—

''(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

''(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

''(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.''.

(c) ADDITIONAL MATCHING FUNDS.—Section 16(h)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(2)) is amended by inserting before the period at the end the following: '', including the costs for case management and casework to facilitate the transition from economic dependency to self-sufficiency through work''.

(d) REPORTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking ''(5)(A) The Secretary'' and inserting ''(5) The Secretary''; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

**SEC. 817. COMPARABLE TREATMENT FOR DISQUALIFICATION.**

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

''(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

''(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

''(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of the Act to impose the same disqualification under the food stamp program.

''(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.''.

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking ''and'' at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(26) the guidelines the State agency uses in carrying out section 6(i); and''.

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Act (7 U.S.C. 2015(d)(2)(A)) is amended by striking ''that is comparable to a requirement of paragraph (1)''.

**SEC. 818. DISQUALIFICATION OF FLEEING FELONS.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 817) is amended by adding at the end the following:

''(j) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

''(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

''(2) violating a condition of probation or parole imposed under a Federal or State law.''.

**SEC. 819. COOPERATION WITH CHILD SUPPORT AGENCIES.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 818) is amended by adding at the end the following:

''(k) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

''(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

''(A) in establishing the paternity of the child (if the child is born out of wedlock); and

''(B) in obtaining support for—

''(i) the child; or

''(ii) the individual and the child.

''(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate.

''(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

''(l) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—At the option of a State agency, no individual who fails to make legally obligated child support payments shall be eligible to participate in the food stamp program unless the individual is unemployed or establishes that the child support award is inconsistent with applicable guidelines.''.

**SEC. 820. WORK REQUIREMENT.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) (as amended by section 819) is amended by adding at the end the following:

''(m) WORK REQUIREMENT.—

''(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

''(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

''(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

''(C) a program of employment or training operated or supervised by a State or political subdivision of a State that meets standards approved by the Governor of the State, including a program under section 6(d)(4).

''(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12-month period, the individual received food stamp benefits for not less than 6 months during which the individual did not—

''(A) work 20 hours or more per week, averaged monthly; or

''(B) participate in and comply with a workfare program under section 20 or a comparable State or local workfare program;

''(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

''(D) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency.

''(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

''(A) under 18 or over 50 years of age;

''(B) medically certified as physically or mentally unfit for employment;

''(C) a parent or other member of a household with a dependent child under 18 years of age;

''(D) a pregnant woman;

''(E) unable to participate in an employment and training program because the State in which the individual resides does not provide sufficient opportunities for participation in such a program; or

''(F) otherwise exempt under section 6(d)(2).

''(4) WAIVER.—

''(A) IN GENERAL.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

''(i) has an unemployment rate of over 8 percent; or

''(ii) does not have a sufficient number of jobs to provide employment for the individuals.

''(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.''.

**SEC. 821. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.**

Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

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

''(1) ELECTRONIC BENEFIT TRANSFERS.—

''(A) IMPLEMENTATION.—Not later than October 1, 2002, each State agency shall implement an electronic benefit transfer system under which household benefits determined under section 8(a) are issued from and stored in a central databank, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

''(B) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

''(C) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

''(i) commercial electronic funds transfer technology;

''(ii) the need to permit interstate operation and law enforcement monitoring; and

''(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.''; and

(2) by adding at the end the following:

''(7) REPLACEMENT CARD FEE.—A State agency may collect a charge for replacement of an electronic benefit transfer card by reducing the monthly allotment of the household receiving the replacement card.

''(8) OPTIONAL PHOTOGRAPHIC IDENTIFICATION.—

''(A) IN GENERAL.—A State agency may require that an electronic benefit card contain a photograph of 1 or more members of a household.

''(B) OTHER AUTHORIZED USERS.—If a State agency requires a photograph on an electronic benefit card under subparagraph (A), the State agency shall establish procedures to ensure that any other appropriate member of the household or any authorized representative of the household may utilize the card.''.

**SEC. 822. MINIMUM BENEFIT ADJUSTMENTS.**

The proviso of section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking '', and shall be adjusted'' and all that follows through ''$5''.

**SEC. 823. PRORATED BENEFITS ON RECERTIFICATION.**

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking ''of more than one month''.

**SEC. 824. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.**

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended by striking paragraph (3) and inserting the following:

''(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.''.

**SEC. 825. FAILURE TO COMPLY WITH OTHER WELFARE OR PUBLIC ASSISTANCE PROGRAMS.**

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (d) and inserting the following:

''(d) FAILURE TO COMPLY WITH OTHER WELFARE OR PUBLIC ASSISTANCE PROGRAMS.—If the benefits of a household are reduced under a Federal, State, or local law relating to a welfare or public assistance program because of a penalty or for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction, the household may not receive an increased allotment as a result of a decrease in the income of the household to the extent that the decrease is the result of the reduction.''.

**SEC. 826. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.**

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

''(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

''(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

''(B) the individual, if the individual leaves the center.

''(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.''.

**SEC. 827. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.**

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (e)—

(A) in paragraph (3)—

(i) by striking ''agency shall—'' and all that follows through ''(E) process applications'' and inserting ''agency shall process applications''; and

(ii) by striking ''verified under this Act,'' and all that follows through ''and that the State'' and inserting ''verified under this Act, and that the State''; and

(B) in paragraph (19)—

(i) by striking ''that information is'' and inserting ''at the option of the State agency, that information may be''; and

(ii) by striking ''shall be requested'' and inserting ''may be requested''; and

(2) by adding at the end the following:

''(p) STATE VERIFICATION OPTION.—Notwithstanding any other provision of law, in carrying out the food stamp program, a State agency shall not be required to use an income and eligibility or an immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b–7).''.

**SEC. 828. EXCHANGE OF LAW ENFORCEMENT INFORMATION.**

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking ''that (A) such'' and inserting the following: ''that—

''(A) the'';

(2) by striking ''law, (B) notwithstanding'' and inserting the following: ''law;

''(B) notwithstanding'';

(3) by striking ''Act, and (C) such'' and inserting the following: ''Act;

''(C) the''; and

(4) by adding at the end the following:

''(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

''(i) the member—

''(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

''(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

''(ii) locating or apprehending the member is an official duty; and

''(iii) the request is being made in the proper exercise of an official duty; and

''(E) the safeguards shall not prevent compliance with paragraph (17);''.

**SEC. 829. EXPEDITED COUPON SERVICE.**

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking ''five days'' and inserting ''7 days''; and

(B) by inserting ''and'' at the end;

(2) by striking subparagraphs (B) and (C);

(3) by redesignating subparagraph (D) as subparagraph (B); and

(4) in subparagraph (B) (as redesignated by paragraph (3)), by striking '', (B), or (C)''.

**SEC. 830. WITHDRAWING FAIR HEARING REQUESTS.**

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: ''At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing''.

**SEC. 831. COLLECTION OF OVERISSUANCES.**

(a) COLLECTION OF OVERISSUANCES.—Section 13 of the Food Stamp Act of 1977 (7 U.S.C. 2022) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) COLLECTION OF OVERISSUANCES.—

''(1) IN GENERAL.—Except as otherwise provided in this subsection, a State agency shall collect any overissuance of coupons issued to a household by—

''(A) reducing the allotment of the household; or

''(B) any other means of collection.

''(2) ALTERNATIVE MEANS OF REPAYMENT.—At the option of a State agency, a household may be given notice permitting the household to elect another means of repayment and giving the household 10 days to make the election before the State agency commences action to reduce the household's monthly allotment.

''(3) MAXIMUM REDUCTION.—A State agency may not reduce the monthly allotment of the household under paragraph (1)(A) by an amount in excess of the greater of—

''(A) 10 percent of the monthly allotment of the household; or

''(B) $10.

''(4) HARDSHIP.—A State agency may waive the use of an allotment reduction under paragraph (1)(A) as a means of collecting a claim arising from an error of the State agency if the collection would cause a hardship (as defined by the State agency) on the household. The State agency shall continue to pursue all other lawful means of collection under paragraph (1)(B).''; and

(2) in subsection (d), by inserting before the period at the end the following: ''or a Federal income tax refund as authorized by section 3720A of title 31, United States Code''.

(b) CONFORMING AMENDMENT.—Section 11(e)(8)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)(C)), as amended by section 828, is amended by inserting after ''Code'' the following: ''or a Federal income tax refund as authorized by section 3720A of title 31, United States Code''.

(c) RETENTION RATE.—Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking ''25 percent during the period beginning October 1, 1990'' and all that follows through ''error of a State agency'' and inserting ''25 percent of the overissuances collected by the State agency under section 13, except those overissuances arising from an error of the State agency''.

(d) STATE AGENCY COLLECTION OF FEDERAL TAX REFUNDS.—Section 6402(d) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting after ''any Federal agency'' the following: ''(or any State agency that has the responsibility for the administration of the food stamp program operated under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))''; and

(2) in the second sentence of paragraph (2), by inserting after ''a Federal agency'' the

following: ''(or a State agency that has the responsibility for the administration of the food stamp program operated under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.))''.

**SEC. 832. RESPONSE TO WAIVERS.**

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

''(C) RESPONSE TO WAIVERS.—

''(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

''(I) approves the waiver request;

''(II) denies the waiver request and explains any modification needed for approval of the waiver request;

''(III) denies the waiver request and explains the grounds for the denial; or

''(IV) requests clarification of the waiver request.

''(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

''(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.''.

**SEC. 833. SIMPLIFIED FOOD STAMP PROGRAM.**

(a) IN GENERAL.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

**''SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.**

''(a) DEFINITION OF FEDERAL COSTS.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

''(b) ELECTION.—Subject to subsection (d), a State may elect to carry out a Simplified Food Stamp Program (referred to in this section as a 'Program'), statewide or in a political subdivision of the State, in accordance with this section.

''(c) OPERATION OF PROGRAM.—If a State elects to carry out a Program, within the State or a political subdivision of the State—

''(1) a household in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall automatically be eligible to participate in the Program; and

''(2) subject to subsection (f), benefits under the Program shall be determined under rules and procedures established by the State under—

''(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(B) the food stamp program; or

''(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and the food stamp program.

''(d) APPROVAL OF PROGRAM.—

''(1) STATE PLAN.—A State agency may not operate a Program unless the Secretary approves a State plan for the operation of the Program under paragraph (2).

''(2) APPROVAL OF PLAN.—The Secretary shall approve any State plan to carry out a Program if the Secretary determines that the plan—

''(A) simplifies administration of State programs while furthering the goal of allowing low-income households to obtain a more nutritious diet;

''(B) complies with this section;

''(C) contains sufficient documentation that the plan will not increase Federal costs for any fiscal year; and

''(D) will not substantially alter, as determined by the Secretary, the appropriate distribution of benefits according to household need.

''(e) INCREASED FEDERAL COSTS.—

''(1) DETERMINATION.—During each fiscal year and not later than 90 days after the end of each fiscal year, the Secretary shall determine whether a Program being carried out by a State agency is increasing Federal costs under this Act above the Federal costs incurred under the food stamp program in operation in the State or political subdivision of the State for the fiscal year prior to the implementation of the Program, adjusted for any changes in—

''(A) participation;

''(B) the income of participants in the food stamp program that is not attributable to public assistance; and

''(C) the thrifty food plan under section 3(o).

''(2) NOTIFICATION.—If the Secretary determines that the Program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

''(3) ENFORCEMENT.—

''(A) CORRECTIVE ACTION.—Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent the Program from increasing Federal costs under this Act.

''(B) TERMINATION.—If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State agency operating the Program and the State agency shall be ineligible to operate a future Program.

''(f) RULES AND PROCEDURES.—

''(1) IN GENERAL.—In operating a Program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

''(2) REQUIREMENTS.—In operating a Program, a State or political subdivision shall comply with the requirements of—

''(A) subsections (a) through (g) of section 7;

''(B) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

''(C) subsection (b) and (d) of section 8;

''(D) subsections (a), (c), (d), and (n) of section 11;

''(E) paragraphs (8), (9), (15), (17), (19), (23), and (24) of section 11(e);

''(F) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

''(G) section 16.

''(4) LIMITATION ON ELIGIBILITY.—Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for the program.''.

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Act (7 U.S.C. 2020(e)) is amended by adding at the end the following:

''(26) if a State elects to carry out a Simplified Food Stamp Program under section 26, the plans of the State agency for operating the program, including—

''(A) the rules and procedures to be followed by the State agency to determine food stamp benefits; and

''(B) a description of the method by which the State agency will carry out a quality control system under section 16(c).''.

(c) CONFORMING AMENDMENTS.—

(1) Section 8 of the Act (7 U.S.C. 2017) (as amended by section 827) is amended—

(A) by striking subsection (e); and

(B) by redesignating subsection (f) as subsection (e).

(2) Section 17 of the Act (7 U.S.C. 2026) is amended—

(A) by striking subsection (i); and

(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

**SEC. 834. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.**

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)) is amended by adding at the end the following:

''(3) AUTHORIZATION PERIODS.—The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.''.

**SEC. 835. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.**

Section 9(a) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)), as amended by section 834, is amended by adding at the end the following:

''(4) PERIODS FOR PARTICIPATION OF STORES AND CONCERNS.—The Secretary may issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. The periods shall reflect the severity of business integrity infractions that are the basis of the denials or withdrawals.''.

**SEC. 836. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.**

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the first sentence, by inserting '', which may include relevant income and sales tax filing documents,'' after ''submit information''; and

(2) by inserting after the first sentence the following: ''The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources so that the accuracy of information provided by the stores and concerns may be verified.''.

**SEC. 837. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.**

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following: ''A retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because the store or concern does not meet criteria for approval established by the Secretary by regulation may not submit a new application for 6 months from the date of the denial.''.

**SEC. 838. MANDATORY CLAIMS COLLECTION METHODS.**

Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking ''may be recovered'' and inserting ''shall be recovered''; and

(2) by inserting before the period at the end the following: ''or a refund of Federal taxes under section 3720A of title 31, United States Code.''.

**SEC. 839. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.**

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following: ''Regulations issued pursuant to this Act shall provide criteria for the finding of a violation, and the suspension or disqualification of a retail food store or wholesale food concern, on the basis of evidence that may include facts established through on-site investigations, inconsistent redemption data, or evidence obtained through transaction reports under electronic benefits transfer systems.''.

**SEC. 840. DISQUALIFICATION OF STORES PENDING JUDICIAL AND ADMINISTRATIVE REVIEW.**

(a) AUTHORITY.—Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended by section 839, is amended by adding at the end the following: ''The regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time the store or concern is initially found to have committed a violation of a requirement of the food stamp program. The suspension may coincide with the period of a review under section 14. The Secretary shall not be liable for the value of any sales lost during a suspension or disqualification period.''.

(b) REVIEW.—Section 14(a) of the Act (7 U.S.C. 2023(a)) is amended—

(1) in the first sentence, by striking ''disqualified or subjected'' and inserting ''suspended, disqualified, or subjected'';

(2) in the fifth sentence, by inserting before the period at the end the following: '', except that, in the case of the suspension of a retail food store or wholesale food concern under section 12(a), the suspension shall remain in effect pending any judicial or administrative review of the proposed disqualification action, and the period of suspension shall be considered a part of any period of disqualification that is imposed''; and

(3) by striking the last sentence.

**SEC. 841. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.**

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

''(g)(1) The Secretary shall issue regulations providing criteria for the disqualification of an approved retail food store and a wholesale food concern that is disqualified from accepting benefits under the special supplemental nutrition program for women, infants, and children established under section 17 of the Child Nutrition Act of 1966 (7 U.S.C. 1786).

''(2) A disqualification under paragraph (1)—

''(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

''(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

''(C) notwithstanding section 14, shall not be subject to judicial or administrative review.''.

**SEC. 842. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.**

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021), as amended by section 841, is amended by adding at the end the following:

''(h)(1) The Secretary shall issue regulations providing for the permanent disqualification of a retail food store, or wholesale food concern, that knowingly submits an application for approval to accept and redeem coupons that contains false information about a substantive matter that was a basis for approving the application.

''(2) A disqualification under paragraph (1) shall be subject to judicial and administrative review under section 14, except that the disqualification shall remain in effect pending the review.''.

**SEC. 843. CRIMINAL FORFEITURE.**

Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024) is amended by adding at the end the following:

''(h)(1) Any person convicted of violating subsection (b) or (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States—

''(A) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds the person obtained directly or indirectly as a result of the violation; and

''(B) any food stamp benefits and any property of the person used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of the violation.

''(2) In imposing a sentence on a person under paragraph (1), a court shall order that the person forfeit to the United States all property described in this subsection.

''(3) Any food stamp benefits or property subject to forfeiture under this subsection, any seizure or disposition of the benefits or property, and any administrative or judicial proceeding relating to the benefits or property, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), if not inconsistent with this subsection.

''(4) This subsection shall not apply to property referred to in subsection (g).''.

**SEC. 844. EFFECTIVE DATE.**

Except as otherwise provided in this subtitle, this subtitle and the amendments made by this subtitle shall become effective on the first day of the second month following the month of the enactment of this Act.

**Subtitle B—Child Nutrition Programs**

**SEC. 851. REIMBURSEMENT RATE ADJUSTMENTS.**

(a) IN GENERAL.—

(1) COMMODITY RATE.—Section 6(e)(1)(B) of the National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''¼ cent'' and inserting ''lower cent increment''.

(2) LUNCH, BREAKFAST, AND SUPPLEMENT RATES.—The last sentence of section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(3) SUMMER PROGRAM RATES.—The first proviso of section 13(b)(1) of the National School Lunch Act (42 U.S.C. 1761(b)(1)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(4) FAMILY DAY CARE RATES.—The last sentence of section 17(f)(3)(A) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(A)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(5) SPECIAL MILK PROGRAM RATES.—Section 3(a)(8) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(8)) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(6) SEVERE NEED RATES.—Section 4(b)(2)(B)(ii) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(2)(B)(ii) is amended by striking ''one-fourth cent'' and inserting ''lower cent increment''.

(b) EFFECTIVE DATES.—The amendments made by subsection (a) shall become effective on July 1, 1996.

**SEC. 852. DIRECT FEDERAL EXPENDITURES.**

Section 6(g)(1) of the National School Lunch Act (42 U.S.C. 1755(g)(1)) is amended by striking ''12 percent'' and inserting ''8 percent''.

**SEC. 853. IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.**

(a) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by striking ''(3)(A) Institutions'' and all that follows through the end of subparagraph (A) and inserting the following:

''(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(A) REIMBURSEMENT FACTOR.—

''(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

''(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

''(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

''(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

''(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

''(cc) a family or group day care home that is operated by a provider whose household meets the eligibility requirements for free or reduced price meals under section 9 and whose eligibility is verified by the sponsoring organization of the home under regulations established by the Secretary.

''(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility requirements for free or reduced price meals under section 9.

''(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

''(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on October 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

''(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

''(I) IN GENERAL.—

''(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet

the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

''(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

''(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the eligibility requirements for free or reduced price meals under section 9.

''(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

''(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who meet the eligibility requirements for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

''(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who do not meet the eligibility requirements for free or reduced priced meals under section 9, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

''(III) INFORMATION AND DETERMINATIONS.—

''(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary eligibility information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

''(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the income eligibility guidelines for free or reduced price meals under section 9 to be a child who is eligible for free or reduced price meals under section 9.

''(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have eligibility information collected from parents or other caretakers.''.

(b) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) is amended by adding at the end the following:

''(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

''(i) IN GENERAL.—

''(I) RESERVATION.—The Secretary shall reserve $5,000,000 of the amount made available to carry out this section for fiscal year 1996.

''(II) PURPOSE.—The Secretary shall use the funds reserved under subclause (I) to provide grants to States for the purpose of providing assistance, including grants, to family or group day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations.

''(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

''(I) $30,000 in base funding to each State; and

''(II) any remaining amount among the States, based on the number of family or group day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family or group day care homes participating in the program during fiscal year 1994.

''(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

''(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).''.

(c) PROVISION OF DATA.—Section 17(f)(3) of the National School Lunch Act (42 U.S.C. 1766(f)(3)) (as amended by subsection (b)) is amended by adding at the end the following:

''(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child and adult care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

''(ii) SCHOOL DATA.—

''(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide data for each elementary school in the State, or shall direct each school within the State to provide data for the school, to approved family or group day care home sponsoring organizations that request the data, on the percentage of enrolled children who are certified eligible for free or reduced price meals.

''(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

''(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.''.

(d) CONFORMING AMENDMENT.—Section 17(c) of the National School Lunch Act (42 U.S.C. 1766(c)) is amended by inserting ''except as provided in subsection (f)(3),'' after ''For purposes of this section,'' each place it appears in paragraphs (1), (2), and (3).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this section.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by subsections (a), (c), and (d) shall become effective on August 1, 1996.

**SEC. 854. ELIMINATION OF STARTUP AND EXPANSION GRANTS.**

(a) IN GENERAL.—Section 4 of the Child Nutrition Act of 1966 (42 U.S.C. 1773) is amended by striking subsection (g).

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1996.

**SEC. 855. AUTHORIZATION OF APPROPRIATIONS.**

Section 19(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1788(i)) is amended—

(1) in the first sentence of paragraph (2)(A), by striking ''and each succeeding fiscal year'';

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

''(3) FISCAL YEARS 1997 THROUGH 2002.—

''(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

''(B) GRANTS.—

''(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions in the State, except that no State shall receive an amount that is less than $75,000 per fiscal year.

''(ii) INSUFFICIENT FUNDS.—If an amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.''.

## TITLE IX—SOCIAL SERVICES BLOCK GRANT; EITC; CHILD ABUSE PREVENTION AND TREATMENT

### Subtitle A—Reduction in Block Grants to States for Social Services

**SEC. 901. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.**

Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking ''and'' at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

''(5) $2,800,000,000 for each of the fiscal years 1990 through 1996 and for each fiscal year after fiscal year 2002; and

''(6) $2,520,000,000 for each of the fiscal years 1997 through 2002.''.

### Subtitle B—Reform of Earned Income Credit

**SEC. 911. EARNED INCOME CREDIT AND OTHER TAX BENEFITS DENIED TO INDIVIDUALS FAILING TO PROVIDE TAXPAYER IDENTIFICATION NUMBERS.**

(a) EARNED INCOME CREDIT.—

(1) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

''(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does

not include any individual who does not include on the return of tax for the taxable year—

''(i) such individual's taxpayer identification number, and

''(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.''

(2) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

''(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to clause (II) (or that portion of clause (III) that relates to clause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).''

(b) PERSONAL EXEMPTION.—

(1) IN GENERAL.—Section 151 of such Code (relating to allowance of deductions for personal exemptions) is amended by adding at the end the following new subsection:

''(e) IDENTIFYING INFORMATION REQUIRED.—No exemption shall be allowed under this section with respect to any individual unless the TIN of such individual is included on the return claiming the exemption.''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 6109 of such Code is repealed.

(B) Section 6724(d)(3) of such Code is amended by adding ''and'' at the end of subparagraph (C), by striking subparagraph (D), and by redesignating subparagraph (E) as subparagraph (D).

(c) DEPENDENT CARE CREDIT.—Subsection (e) of section 21 of such Code (relating to expenses for household and dependent care services necessary for gainful employment) is amended by adding at the end the following new paragraph:

''(10) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under this section with respect to any qualifying individual unless the TIN of such individual is included on the return claiming the credit.''

(d) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended by striking ''and'' at the end of subparagraph (D), by striking the period at the end of subparagraph (E) and inserting a comma, and by adding after subparagraph (E) the following new subparagraphs:

''(F) an omission of a correct TIN required under section 21 (relating to expenses for household and dependent care services necessary for gainful employment), section 32 (relating to the earned income credit), or section 151 (relating to allowance of deductions for personal exemptions) to be included on a return, and

''(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to returns the due date for which (without regard to extensions) is more than 30 days after the date of the enactment of this Act.

**SEC. 912. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.**

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Section 32(i)(1) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking ''$2,350'' and inserting ''$2,200''.

(2) ADJUSTMENT FOR INFLATION.—Section 32(j) of such Code is amended to read as follows:

''(j) INFLATION ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that subparagraph (B) thereof shall be applied by reference to the CPI for the calendar year preceding the applicable calendar year rather than the CPI for calendar year 1992.

''(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

''(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

''(i) 1994 in the case of the dollar amounts referred to in clause (i) of subparagraph (B), and

''(ii) 1996 in the case of the dollar amount referred to in clause (ii) of subparagraph (B).

''(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

''(i) the dollar amounts contained in subsection (b)(2)(A), and

''(ii) the dollar amount contained in subsection (i)(1).

''(3) ROUNDING.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), if any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).

''(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount referred to in paragraph (2)(B)(ii) after being increased under paragraph (1) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C), and by adding at the end the following new subparagraphs:

''(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

''(E) the excess (if any) of—

''(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

''(ii) the aggregate losses from all passive activities for the taxable year (as so determined).

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

**SEC. 913. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.**

(a) IN GENERAL.—Subsections (a)(2), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking ''adjusted gross income'' and inserting ''modified adjusted gross income''.

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(5) MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income determined without regard to the amounts described in subparagraph (B).

''(B) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

''(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

''(ii) the net loss from estates and trusts,

''(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

''(iv) 50 percent of the net loss from the carrying on of trades or businesses, computed separately with respect to—

''(I) trades or businesses (other than farming) conducted as sole proprietorships,

''(II) trades or businesses of farming conducted as sole proprietorships, and

''(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1996.

## Subtitle C—Child Abuse Prevention and Treatment

**SEC. 921. SHORT TITLE.**

This subtitle may be cited as the ''Child Abuse Prevention and Treatment Act Amendments of 1996''.

**SEC. 922. REFERENCE.**

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).

**SEC. 923. FINDINGS.**

Section 2 (42 U.S.C. 5101 note) is amended—

(1) in paragraph (1), the read as follows:

''(1) each year, close to 1,000,000 American children are victims of abuse and neglect;'';

(2) in paragraph (3)(C), by inserting ''assessment,'' after ''prevention,'';

(3) in paragraph (4)—

(A) by striking ''tens of''; and

(B) by striking ''direct'' and all that follows through the semicolon and inserting ''tangible expenditures, as well as significant intangible costs;'';

(4) in paragraph (7), by striking ''remedy the causes of'' and inserting ''prevent'';

(5) in paragraph (8), by inserting ''safety,'' after ''fosters the health,'';

(6) in paragraph (10)—

(A) by striking ''ensure that every community in the United States has'' and inserting ''assist States and communities with''; and

(B) by inserting ''and family'' after ''comprehensive child''; and

(7) in paragraph (11)—

(A) by striking ''child protection'' each place that such appears and inserting ''child and family protection''; and

(B) in subparagraph (D), by striking ''sufficient''.

**SEC. 924. OFFICE OF CHILD ABUSE AND NEGLECT.**

Section 101 (42 U.S.C.5101) is amended to read as follows:

**"SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.**

''(a) ESTABLISHMENT.—The Secretary of Health and Human Services may establish an office to be known as the Office on Child Abuse and Neglect.

''(b) PURPOSE.—The purpose of the Office established under subsection (a) shall be to execute and coordinate the functions and activities of this Act. In the event that such functions and activities are performed by another entity or entities within the Department of Health and Human Services, the Secretary shall ensure that such functions and activities are executed with the necessary expertise and in a fully coordinated manner involving regular intradepartmental and interdepartmental consultation with all agencies involved in child abuse and neglect activities.''.

**SEC. 925. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.**

Section 102 (42 U.S.C.5102) is amended to read as follows:

**"SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.**

''(a) APPOINTMENT.—The Secretary may appoint an advisory board to make recommendations to the Secretary and to the appropriate committees of Congress concerning specific issues relating to child abuse and neglect.

''(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointment of members of the advisory board under subsection (a).

''(c) COMPOSITION.—In establishing the board under subsection (a), the Secretary shall appoint members from the general public who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—

''(1) law (including the judiciary);

''(2) psychology (including child development);

''(3) social services (including child protective services);

''(4) medicine (including pediatrics);

''(5) State and local government;

''(6) organizations providing services to disabled persons;

''(7) organizations providing services to adolescents;

''(8) teachers;

''(9) parent self-help organizations;

''(10) parents' groups;

''(11) voluntary groups;

''(12) family rights groups; and

''(13) children's rights advocates.

''(d) VACANCIES.—Any vacancy in the membership of the board shall be filled in the same manner in which the original appointment was made.

''(e) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members of the board.

''(f) DUTIES.—Not later than 1 year after the establishment of the board under subsection (a), the board shall submit to the Secretary and the appropriate committees of Congress a report, or interim report, containing—

''(1) recommendations on coordinating Federal, State, and local child abuse and neglect activities with similar activities at the Federal, State, and local level pertaining to family violence prevention;

''(2) specific modifications needed in Federal and State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

''(3) recommendations for modifications needed to facilitate coordinated national data collection with respect to child protection and child welfare.''.

**SEC. 926. REPEAL OF INTERAGENCY TASK FORCE.**

Section 103 (42 U.S.C.5103) is repealed.

**SEC. 927. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.**

Section 104 (42 U.S.C.5104) is amended—

(1) in subsection (a), to read as follows:

''(a) ESTABLISHMENT.—The Secretary shall through the Department, or by one or more contracts of not less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.'';

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''Director'' and inserting ''Secretary'';

(B) in paragraph (1)—

(i) by inserting ''assessment,'' after ''prevention,''; and

(ii) by striking '', including'' and all that follows through ''105(b)'' and inserting ''and'';

(C) in paragraph (2)—

(i) in subparagraph (A), by striking ''general population'' and inserting ''United States'';

(ii) in subparagraph (B), by adding ''and'' at the end thereof;

(iii) in subparagraph (C), by striking ''; and'' at the end thereof and inserting a period; and

(iv) by striking subparagraph (D); and

(D) by striking paragraph (3); and

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking ''Director'' and inserting ''Secretary'';

(B) in paragraph (2), by striking ''that is represented on the task force'' and inserting ''involved with child abuse and neglect and mechanisms for the sharing of such information among other Federal agencies and clearinghouses'';

(C) in paragraph (3), by striking ''State, regional'' and all that follows and inserting the following: ''Federal, State, regional, and local child welfare data systems which shall include:

''(A) standardized data on false, unfounded, unsubstantiated, and substantiated reports; and

''(B) information on the number of deaths due to child abuse and neglect;'';

(D) by redesignating paragraph (4) as paragraph (6); and

(E) by inserting after paragraph (3), the following new paragraphs:

''(4) through a national data collection and analysis program and in consultation with appropriate State and local agencies and experts in the field, collect, compile, and make available State child abuse and neglect reporting information which, to the extent practical, shall be universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;

''(5) compile, analyze, and publish a summary of the research conducted under section 105(a); and''.

**SEC. 928. RESEARCH, EVALUATION AND ASSISTANCE ACTIVITIES.**

(a) RESEARCH.—Section 105(a) (42 (42 U.S.C. 5105(a)) is amended—

(1) in the section heading, by striking ''OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT'';

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking '', through the Center, conduct research on'' and inserting '', in consultation with other Federal agencies and recognized experts in the field, carry out a continuing interdisciplinary program of research that is designed to provide information needed to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of such research being field initiated. Such research program may focus on'';

(B) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), respectively;

(C) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:

''(A) the nature and scope of child abuse and neglect;'';

(D) in subparagraph (B) (as so redesignated), to read as follows:

''(B) causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;'';

(E) in subparagraph (D) (as so redesignated)—

(i) by striking clause (ii); and

(ii) in clause (iii), to read as follows:

''(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;

''(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;

''(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;

''(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;

''(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;

''(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;

''(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care; and

''(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system.''; and

(3) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking ''and demonstrations''; and

(ii) by striking ''paragraph (1)(A) and activities under section 106'' and inserting ''paragraph (1)''; and

(B) in subparagraph (B), by striking ''and demonstration''.

(b) REPEAL.—Subsection (b) of section 105 (42 U.S.C. 5105(b)) is repealed.

(c) TECHNICAL ASSISTANCE.—Section 105(c) (42 U.S.C. 5105(c)) is amended—

(1) by striking ''The Secretary'' and inserting:

''(1) IN GENERAL.—The Secretary'';

(2) by striking '', through the Center,'';

(3) by inserting ''State and local'' before ''public and nonprofit'';

(4) by inserting ''assessment,'' before ''identification''; and

(5) by adding at the end thereof the following new paragraphs:

''(2) EVALUATION.—Such technical assistance may include an evaluation or identification of—

''(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;

''(B) ways to mitigate psychological trauma to the child victim; and

''(C) effective programs carried out by the States under titles I and II.

''(3) DISSEMINATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

''(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

''(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.''.

(d) GRANTS AND CONTRACTS.—Section 105(d)(2) (42 U.S.C. 5105(d)(2)) is amended by striking the second sentence.

(e) PEER REVIEW.—Section 105(e) (42 U.S.C. 5105(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''establish a formal'' and inserting '', in consultation with experts in the field and other federal agencies, establish a formal, rigorous, and meritorious'';

(ii) by striking ''and contracts''; and

(iii) by adding at the end thereof the following new sentence: ''The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect.''; and

(B) in subparagraph (B)—

(i) by striking ''Office of Human Development'' and inserting ''Administration for Children and Families''; and

(ii) by adding at the end thereof the following new sentence: ''The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees.''; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking '', contract, or other financial assistance''; and

(B) by adding at the end thereof the following flush sentence:

''The Secretary shall award grants under this section on the basis of competitive review.''.

**SEC. 929. GRANTS FOR DEMONSTRATION PROGRAMS.**

Section 106 (42 U.S.C. 5106) is amended—

(1) in the section heading, by striking ''OR SERVICE'';

(2) in subsection (a), to read as follows:

''(a) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may make grants to, and enter into contracts with, public agencies or nonprofit private agencies or organizations (or combinations of such agencies or organizations) for time limited, demonstration programs and projects for the following purposes:

''(1) TRAINING PROGRAMS.—The Secretary may award grants to public or private nonprofit organizations under this section—

''(A) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

''(B) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities;

''(C) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally; and

''(D) for the establishment of resource centers for the purpose of providing information and training to professionals working in the field of child abuse and neglect.

''(2) MUTUAL SUPPORT PROGRAMS.—The Secretary may award grants to private non-profit organizations (such as Parents Anonymous) to establish or maintain a national network of mutual support and self-help programs as a means of strengthening families in partnership with their communities.

''(3) OTHER INNOVATIVE PROGRAMS AND PROJECTS.—

''(A) IN GENERAL.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

''(i) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

''(ii) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

''(iii) provides further investigation and intensive intervention where the child's safety is in jeopardy.

''(B) KINSHIP CARE.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child or where such relatives comply with the State child protection standards.

''(C) VISITATION CENTERS.—The Secretary may award grants to public or private nonprofit entities to assist such entities in the establishment or operation of supervised visitation centers where there is documented, highly suspected, or elevated risk of child sexual, physical, or emotional abuse where, due to domestic violence, there is an ongoing risk of harm to a parent or child.'';

(3) in subsection (c), by striking paragraphs (1) and (2); and

(4) by adding at the end thereof the following new subsection:

''(d) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.''.

**SEC. 930. STATE GRANTS FOR PREVENTION AND TREATMENT PROGRAMS.**

Section 107 (42 U.S.C. 5106a) is amended to read as follows:

**''SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.**

''(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

''(1) the intake, assessment, screening, and investigation of reports of abuse and neglect;

''(2)(A) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

''(B) improving legal preparation and representation, including—

''(i) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and

''(ii) provisions for the appointment of a guardian ad litem.

''(3) case management and delivery of services provided to children and their families;

''(4) enhancing the general child protective system by improving risk and safety assessment tools and protocols, automation systems that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;

''(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families through the child protection system;

''(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

''(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;

''(8) developing, implementing, or operating—

''(A) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

''(i) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

''(ii) the parents of such infants; and

''(B) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

''(i) existing social and health services;

''(ii) financial assistance; and

''(iii) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption; or

''(9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

''(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

''(1) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

''(A) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

''(B) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

''(C) procedures for immediate steps to be taken to ensure and protect the safety of the

abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

''(D) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

''(E) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including methods to ensure that disclosure (and redisclosure) of information concerning child abuse or neglect involving specific individuals is made only to persons or entities that the State determines have a need for such information directly related to the purposes of this Act;

''(F) requirements for the prompt disclosure of all relevant information to any Federal, State, or local governmental entity, or any agent of such entity, with a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

''(G) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

''(H) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

''(I) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

''(2) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

''(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

''(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

''(C) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

''(c) ADDITIONAL REQUIREMENT.—Not later than 2 years after the date of enactment of this section, the State shall provide an assurance or certification that the State has in place provisions, procedures, and mechanisms by which individuals who disagree with an official finding of abuse or neglect can appeal such finding.

''(d) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every 5 years a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. Such plan shall, to the maximum extent practicable, be coordinated with the plan of the State for child welfare services and family preservation and family support services under part B of title IV of the Social Security Act and shall contain an outline of the activities that the State intends to carry out using amounts provided under the grant to achieve the purposes of this Act, including the procedures to be used for—

''(1) receiving and assessing reports of child abuse or neglect;

''(2) investigating such reports;

''(3) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

''(4) providing services or referral for services for families and children where the child is not in danger of harm;

''(5) providing services to individuals, families, or communities, either directly or through referral, aimed at preventing the occurrence of child abuse and neglect;

''(6) providing training to support direct line and supervisory personnel in report-taking, screening, assessment, decision-making, and referral for investigation; and

''(7) providing training for individuals mandated to report suspected cases of child abuse or neglect.

''(e) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1) (A) and (B), and (2) of subsection (b).

''(f) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under this part shall annually work with the Secretary to provide, to the maximum extent practicable, a report that includes the following:

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

''(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were—

''(A) substantiated;

''(B) unsubstantiated; and

''(C) determined to be false.

''(3) Of the number of children described in paragraph (2)—

''(A) the number that did not receive services during the year under the State program funded under this part or an equivalent State program;

''(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

''(C) the number that were removed from their families during the year by disposition of the case.

''(4) The number of families that received preventive services from the State during the year.

''(5) The number of deaths in the State during the year resulting from child abuse or neglect.

''(6) Of the number of children described in paragraph (5), the number of such children who were in foster care.

''(7) The number of child protective service workers responsible for the intake and screening of reports filed in the previous year.

''(8) The agency response time with respect to each such report with respect to initial investigation of reports of child abuse or neglect.

''(9) The response time with respect to the provision of services to families and children where an allegation of abuse or neglect has been made.

''(10) The number of child protective service workers responsible for intake, assessment, and investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

''(g) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after receiving the State reports under subsection (f), the Secretary shall prepare a report based on information provided by the States for the fiscal year under such subsection and shall make the report and such information available to the Congress and the national clearinghouse for information relating to child abuse.''.

**SEC. 931. REPEAL.**

Section 108 (42 U.S.C. 5106b) is repealed.

**SEC. 932. MISCELLANEOUS REQUIREMENTS.**

Section 110 (42 U.S.C. 5106d) is amended by striking subsection (c).

**SEC. 933. DEFINITIONS.**

Section 113 (42 U.S.C. 5106h) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraphs (3) through (10) as paragraphs (1) through (8), respectively; and

(3) in paragraph (2) (as so redesignated), to read as follows:

''(2) the term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death, serious physical or emotional harm, sexual abuse or exploitation, or an act or failure to act which presents an imminent risk of serious harm;''.

**SEC. 934. AUTHORIZATION OF APPROPRIATIONS.**

Section 114(a) (42 U.S.C. 5106h(a)) is amended to read as follows:

''(a) IN GENERAL.—

''(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title, $100,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

''(2) DISCRETIONARY ACTIVITIES.—

''(A) IN GENERAL.—Of the amounts appropriated for a fiscal year under paragraph (1), the Secretary shall make available 33⅓ percent of such amounts to fund discretionary activities under this title.

''(B) DEMONSTRATION PROJECTS.—Of the amounts made available for a fiscal year under subparagraph (A), the Secretary make available not more than 40 percent of such amounts to carry out section 106.''.

**SEC. 935. RULE OF CONSTRUCTION.**

Title I (42 U.S.C. 5101 et seq.) is amended by adding at the end thereof the following new section:

**''SEC. 115. RULE OF CONSTRUCTION.**

''(a) IN GENERAL.—Nothing in this Act shall be construed—

''(1) as establishing a Federal requirement that a parent or legal guardian provide a child any medical service or treatment against the religious beliefs of the parent or legal guardian; and

''(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

''(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall, at a minimum, have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.''.

**SEC. 936. TECHNICAL AMENDMENT.**

Section 1404A of the Victims of Crime Act of 1984 (42 U.S.C. 10603a) is amended—

(1) by striking ''1402(d)(2)(D) and (d)(3)'' and inserting ''1402(d)(2)''; and

(2) by striking ''section 4(d)'' and inserting ''section 109''.

**Subtitle D—Community-Based Child Abuse and Neglect Prevention Grants**

**SEC. 941. ESTABLISHMENT OF PROGRAM.**

Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq) is amended to read as follows:

**''TITLE II—COMMUNITY-BASED FAMILY RESOURCE AND SUPPORT GRANTS**

**''SEC. 201. PURPOSE AND AUTHORITY.**

''(a) PURPOSE.—It is the purpose of this Act to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

''(b) AUTHORITY.—The Secretary shall make grants under this title on a formula basis to the entity designated by the State as the lead entity (hereafter referred to in this title as the 'lead entity') for the purpose of—

''(1) developing, operating, expanding and enhancing Statewide networks of community-based, prevention-focused, family resource and support programs that—

''(A) offer sustained assistance to families;

''(B) provide early, comprehensive, and holistic support for all parents;

''(C) promote the development of parental competencies and capacities, especially in young parents and parents with very young children;

''(D) increase family stability;

''(E) improve family access to other formal and informal resources and opportunities for assistance available within communities;

''(F) support the additional needs of families with children with disabilities; and

''(G) decrease the risk of homelessness;

''(2) fostering the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships both public and private;

''(3) financing the start-up, maintenance, expansion, or redesign of specific family resource and support program services (such as respite services, child abuse and neglect prevention activities, disability services, mental health services, housing services, transportation, adult education, home visiting and other similar services) identified by the inventory and description of current services required under section 205(a)(3) as an unmet need, and integrated with the network of community-based family resource and support program to the extent practicable given funding levels and community priorities;

''(4) maximizing funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, startup, training and technical assistance, information management, reporting and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused, family resource and support program; and

''(5) financing public information activities that focus on the healthy and positive development of parents and children and the promotion of child abuse and neglect prevention activities.

**''SEC. 202. ELIGIBILITY.**

''A State shall be eligible for a grant under this title for a fiscal year if—

''(1)(A) the chief executive officer of the State has designated an entity to administer funds under this title for the purposes identified under the authority of this title, including to develop, implement, operate, enhance or expand a Statewide network of community-based, prevention-focused, family resource and support programs, child abuse and neglect prevention activities and access to respite services integrated with the Statewide network;

''(B) in determining which entity to designate under subparagraph (A), the chief executive officer should give priority consideration to the trust fund advisory board of the State or an existing entity that leverages Federal, State, and private funds for a broad range of child abuse and neglect prevention activities and family resource programs, and that is directed by an interdisciplinary, public-private structure, including participants from communities; and

''(C) such lead entity is an existing public, quasi-public, or nonprofit private entity with a demonstrated ability to work with other State and community-based agencies to provide training and technical assistance, and that has the capacity and commitment to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

''(2) the chief executive officer of the State provides assurances that the lead entity will provide or will be responsible for providing—

''(A) a network of community-based family resource and support programs composed of local, collaborative, public-private partnerships directed by interdisciplinary structures with balanced representation from private and public sector members, parents, and public and private nonprofit service providers and individuals and organizations experienced in working in partnership with families with children with disabilities;

''(B) direction to the network through an interdisciplinary, collaborative, public-private structure with balanced representation from private and public sector members, parents, and public sector and private nonprofit sector service providers; and

''(C) direction and oversight to the network through identified goals and objectives, clear lines of communication and accountability, the provision of leveraged or combined funding from Federal, State and private sources, centralized assessment and planning activities, the provision of training and technical assistance, and reporting and evaluation functions; and

''(3) the chief executive officer of the State provides assurances that the lead entity—

''(A) has a demonstrated commitment to parental participation in the development, operation, and oversight of the Statewide network of community-based, prevention-focused, family resource and support programs;

''(B) has a demonstrated ability to work with State and community-based public and private nonprofit organizations to develop a continuum of preventive, family centered, holistic services for children and families through the Statewide network of community-based, prevention-focused, family resource and support programs;

''(C) has the capacity to provide operational support (both financial and programmatic) and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs, through innovative, interagency funding and interdisciplinary service delivery mechanisms; and

''(D) will integrate its efforts with individuals and organizations experienced in working in partnership with families with children with disabilities and with the child abuse and neglect prevention activities of the State, and demonstrate a financial commitment to those activities.

**''SEC. 203. AMOUNT OF GRANT.**

''(a) RESERVATION.—The Secretary shall reserve 1 percent of the amount appropriated under section 210 for a fiscal year to make allotments to Indian tribes and tribal organizations and migrant programs.

''(b) ALLOTMENT.—

''(1) IN GENERAL.—Of the amounts appropriated for a fiscal year under section 210 and remaining after the reservation under subsection (a), the Secretary shall allot to each State lead entity an amount equal to—

''(A) the State minor child amount for such State as determined under paragraph (2); and

''(B) the State matchable amount for such State as determined under paragraph (3).

''(2) STATE MINOR CHILD AMOUNT.—The amount determined under this paragraph for a fiscal year for a State shall be equal to an amount that bears the same relationship to 50 percent of the amounts appropriated and remaining under paragraph (1) for such fiscal year as the number of children under 18 residing in the State bears to the total number of children under 18 residing in all States, except that no State shall receive less than $250,000.

''(3) STATE MATCHABLE AMOUNT.—The amount determined under this paragraph for a fiscal year for a State shall be equal to—

''(A)(i) 50 percent of the amounts appropriated and remaining under paragraph (1) for such fiscal year; divided by

''(ii) 50 percent of the total amount that all States have directed through the respective lead agencies to the purposes identified under the authority of this title for the fiscal year, including foundation, corporate, and other private funding, State revenues, and Federal funds, as determined by the Secretary; multiplied by

''(B) 50 percent of the total amount that the State has directed through the lead agency to the purposes identified under the authority of this title for such fiscal year, including foundation, corporate, and other private funding, State revenues, and Federal funds.

''(c) ALLOCATION.—Funds allotted to a State under this section shall be awarded on a formula basis for a 3-year period. Payment under such allotments shall be made by the Secretary annually on the basis described in subsection (a).

**''SEC. 204. EXISTING AND CONTINUATION GRANTS.**

''(a) EXISTING GRANTS.—Notwithstanding the enactment of this title, a State or entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this title, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

''(b) CONTINUATION GRANTS.—The Secretary may continue grants for Family Resource

and Support Program grantees, and those programs otherwise funded under this Act, on a noncompetitive basis, subject to the availability of appropriations, satisfactory performance by the grantee, and receipt of reports required under this Act, until such time as the grantee no longer meets the original purposes of this Act.

**"SEC. 205. APPLICATION.**

''(a) IN GENERAL.—A grant may not be made to a State under this title unless an application therefore is submitted by the State to the Secretary and such application contains the types of information specified by the Secretary as essential to carrying out the provisions of section 202, including—

''(1) a description of the lead entity that will be responsible for the administration of funds provided under this title and the oversight of programs funded through the Statewide network of community-based, prevention-focused, family resource and support programs which meets the requirements of section 202;

''(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate and how family resource and support services provided by public and private, nonprofit organizations, including those funded by programs consolidated under this Act, will be integrated into a developing continuum of family centered, holistic, preventive services for children and families;

''(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource services operating in the State, and a description of current unmet needs, will be provided;

''(4) a budget for the development, operation and expansion of the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will expend an amount equal to not less than 20 percent of the amount received under this title (in cash, not in-kind) for activities under this title;

''(5) an assurance that funds received under this title will supplement, not supplant, other State and local public funds designated for the Statewide network of community-based, prevention-focused, family resource and support programs;

''(6) an assurance that the State network of community-based, prevention-focused, family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

''(7) an assurance that the State has the capacity to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of the programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

''(8) a description of the criteria that the entity will use to develop, or select and fund, individual community-based, prevention-focused, family resource and support programs as part of network development, expansion or enhancement;

''(9) a description of outreach activities that the entity and the community-based, prevention-focused, family resource and support programs will undertake to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other underserved or underrepresented groups;

''(10) a plan for providing operational support, training and technical assistance to community-based, prevention-focused, family resource and support programs for development, operation, expansion and enhancement activities;

''(11) a description of how the applicant entity's activities and those of the network and its members will be evaluated;

''(12) a description of that actions that the applicant entity will take to advocate changes in State policies, practices, procedures and regulations to improve the delivery of prevention-focused, family resource and support program services to all children and families; and

''(13) an assurance that the applicant entity will provide the Secretary with reports at such time and containing such information as the Secretary may require.

**"SEC. 206. LOCAL PROGRAM REQUIREMENTS.**

''(a) IN GENERAL.—Grants made under this title shall be used to develop, implement, operate, expand and enhance community-based, prevention-focused, family resource and support programs that—

''(1) assess community assets and needs through a planning process that involves parents and local public agencies, local nonprofit organizations, and private sector representatives;

''(2) develop a strategy to provide, over time, a continuum of preventive, holistic, family centered services to children and families, especially to young parents and parents with young children, through public-private partnerships;

''(3) provide—

''(A) core family resource and support services such as—

''(i) parent education, mutual support and self help, and leadership services;

''(ii) early developmental screening of children;

''(iii) outreach services;

''(iv) community and social service referrals; and

''(v) follow-up services;

''(B) other core services, which must be provided or arranged for through contracts or agreements with other local agencies, including all forms of respite services to the extent practicable; and

''(C) access to optional services, including—

''(i) child care, early childhood development and intervention services;

''(ii) services and supports to meet the additional needs of families with children with disabilities;

''(iii) job readiness services;

''(iv) educational services, such as scholastic tutoring, literacy training, and General Educational Degree services;

''(v) self-sufficiency and life management skills training;

''(vi) community referral services; and

''(vii) peer counseling;

''(4) develop leadership roles for the meaningful involvement of parents in the development, operation, evaluation, and oversight of the programs and services;

''(5) provide leadership in mobilizing local public and private resources to support the provision of needed family resource and support program services; and

''(6) participate with other community-based, prevention-focused, family resource and support program grantees in the development, operation and expansion of the Statewide network.

''(b) PRIORITY.—In awarding local grants under this title, a lead entity shall give priority to community-based programs serving low income communities and those serving young parents or parents with young children, and to community-based family resource and support programs previously funded under the programs consolidated under the Child Abuse Prevention and Treatment Act Amendments of 1996, so long as such programs meet local program requirements.

**"SEC. 207. PERFORMANCE MEASURES.**

''A State receiving a grant under this title, through reports provided to the Secretary, shall—

''(1) demonstrate the effective development, operation and expansion of a Statewide network of community-based, prevention-focused, family resource and support programs that meets the requirements of this title;

''(2) supply an inventory and description of the services provided to families by local programs that meet identified community needs, including core and optional services as described in section 202;

''(3) demonstrate the establishment of new respite and other specific new family resources services, and the expansion of existing services, to address unmet needs identified by the inventory and description of current services required under section 205(a)(3);

''(4) describe the number of families served, including families with children with disabilities, and the involvement of a diverse representation of families in the design, operation, and evaluation of the Statewide network of community-based, prevention-focused, family resource and support programs, and in the design, operation and evaluation of the individual community-based family resource and support programs that are part of the Statewide network funded under this title;

''(5) demonstrate a high level of satisfaction among families who have used the services of the community-based, prevention-focused, family resource and support programs;

''(6) demonstrate the establishment or maintenance of innovative funding mechanisms, at the State or community level, that blend Federal, State, local and private funds, and innovative, interdisciplinary service delivery mechanisms, for the development, operation, expansion and enhancement of the Statewide network of community-based, prevention-focused, family resource and support programs;

''(7) describe the results of a peer review process conducted under the State program; and

''(8) demonstrate an implementation plan to ensure the continued leadership of parents in the on-going planning, implementation, and evaluation of such community based, prevention-focused, family resource and support programs.

**"SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.**

''The Secretary may allocate such sums as may be necessary from the amount provided under the State allotment to support the activities of the lead entity in the State—

''(1) to create, operate and maintain a peer review process;

''(2) to create, operate and maintain an information clearinghouse;

''(3) to fund a yearly symposium on State system change efforts that result from the operation of the Statewide networks of community-based, prevention-focused, family resource and support programs;

''(4) to create, operate and maintain a computerized communication system between lead entities; and

''(5) to fund State-to-State technical assistance through bi-annual conferences.

**"SEC. 209. DEFINITIONS.**

''For purposes of this title:

''(1) CHILDREN WITH DISABILITIES.—The term 'children with disabilities' has the same meaning given such term in section

602(a)(2) of the Individuals with Disabilities Education Act.

''(2) COMMUNITY REFERRAL SERVICES.—The term 'community referral services' means services provided under contract or through interagency agreements to assist families in obtaining needed information, mutual support and community resources, including respite services, health and mental health services, employability development and job training, and other social services through help lines or other methods.

''(3) CULTURALLY COMPETENT.—The term 'culturally competent' means services, support, or other assistance that is conducted or provided in a manner that—

''(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals and families receiving services; and

''(B) has the greatest likelihood of ensuring maximum participation of such individuals and families.

''(4) FAMILY RESOURCE AND SUPPORT PROGRAM.—The term 'family resource and support program' means a community-based, prevention-focused entity that—

''(A) provides, through direct service, the core services required under this title, including—

''(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;

''(ii) services to facilitate the ability of parents to serve as resources to one another (such as through mutual support and parent self-help groups);

''(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;

''(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;

''(v) community and social services to assist families in obtaining community resources; and

''(vi) follow-up services;

''(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies, including all forms of respite services; and

''(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—

''(i) child care, early childhood development and early intervention services;

''(ii) self-sufficiency and life management skills training;

''(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;

''(iv) job readiness skills;

''(v) child abuse and neglect prevention activities;

''(vi) services that families with children with disabilities or special needs may require;

''(vii) community and social service referral;

''(viii) peer counseling;

''(ix) referral for substance abuse counseling and treatment; and

''(x) help line services.

''(5) NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.—The term 'network for community-based family resource program' means the organization of State designated entities who receive grants under this title, and includes the entire membership of the Children's Trust Fund Alliance and the National Respite Network.

''(6) OUTREACH SERVICES.—The term 'outreach services' means services provided to assist consumers, through voluntary home visits or other methods, in accessing and participating in family resource and support program activities.

''(7) RESPITE SERVICES.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—

''(A) are in danger of abuse or neglect;

''(B) have experienced abuse or neglect; or

''(C) have disabilities, chronic, or terminal illnesses.

Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.

**''SEC. 210. AUTHORIZATION OF APPROPRIATIONS.**

''There are authorized to be appropriated to carry out this title, $108,000,000 for each of the fiscal years 1996 through 2000.''.

**SEC. 942. REPEALS.**

(a) TEMPORARY CHILD CARE FOR CHILDREN WITH DISABILITIES AND CRISIS NURSERIES ACT.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.

(b) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.) is repealed.

## Subtitle E—Family Violence Prevention and Services

**SEC. 951. REFERENCE.**

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).

**SEC. 952. STATE DEMONSTRATION GRANTS.**

Section 303(e) (42 U.S.C. 10420(e)) is amended—

(1) by striking ''following local share'' and inserting ''following non-Federal matching local share''; and

(2) by striking ''20 percent'' and all that follows through ''private sources.'' and inserting ''with respect to an entity operating an existing program under this title, not less than 20 percent, and with respect to an entity intending to operate a new program under this title, not less than 35 percent.''.

**SEC. 953. ALLOTMENTS.**

Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended by striking ''$200,000'' and inserting ''$400,000''.

**SEC. 954. AUTHORIZATION OF APPROPRIATIONS.**

Section 310 (42 U.S.C. 10409) is amended—

(1) in subsection (b), by striking ''80'' and inserting ''70''; and

(2) by adding at the end thereof the following new subsections:

''(d) GRANTS FOR STATE COALITIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 10 percent of such amounts shall be used by the Secretary for making grants under section 311.

''(e) NON-SUPPLANTING REQUIREMENT.—Federal funds made available to a State under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services and activities that promote the purposes of this title.''.

## Subtitle F—Adoption Opportunities

**SEC. 961. REFERENCE.**

Except as otherwise expressly provided, whenever in this subtitle an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).

**SEC. 962. FINDINGS AND PURPOSE.**

Section 201 (42 U.S.C. 5111) is amended—

(1) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''50 percent between 1985 and 1990'' and inserting ''61 percent between 1986 and 1994''; and

(ii) by striking ''400,000 children at the end of June, 1990'' and inserting ''452,000 as of June, 1994''; and

(B) in paragraph (5), by striking ''local'' and inserting ''legal''; and

(C) in paragraph (7), to read as follows:

''(7)(A) currently, 40,000 children are free for adoption and awaiting placement;

''(B) such children are typically school aged, in sibling groups, have experienced neglect or abuse, or have a physical, mental, or emotional disability; and

''(C) while the children are of all races, children of color and older children (over the age of 10) are over represented in such group;''; and

(2) in subsection (b)—

(A) by striking ''conditions, by—'' and all that follows through ''providing a mechanism'' and inserting ''conditions, by providing a mechanism''; and

(B) by redesignating subparagraphs (A) through (C), as paragraphs (1) through (3), respectively and by realigning the margins of such paragraphs accordingly.

**SEC. 963. INFORMATION AND SERVICES.**

Section 203 (42 U.S.C. 5113) is amended—

(1) in subsection (a), by striking the last sentence;

(2) in subsection (b)—

(A) in paragraph (6), to read as follows:

''(6) study the nature, scope, and effects of the placement of children in kinship care arrangements, pre-adoptive, or adoptive homes;'';

(B) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and

(C) by inserting after paragraph (6), the following new paragraph:

''(7) study the efficacy of States contracting with public or private nonprofit agencies (including community-based and other organizations), or sectarian institutions for the recruitment of potential adoptive and foster families and to provide assistance in the placement of children for adoption;''; and

(3) in subsection (d)—

(A) in paragraph (2)—

(i) by striking ''Each'' and inserting ''(A) Each'';

(ii) by striking ''for each fiscal year'' and inserting ''that describes the manner in which the State will use funds during the 3-fiscal years subsequent to the date of the application to accomplish the purposes of this section. Such application shall be''; and

(iii) by adding at the end thereof the following new subparagraph:

''(B) The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—

''(i) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement

services, including post-legal adoption services; and

''(ii) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.''.

**SEC. 964. AUTHORIZATION OF APPROPRIATIONS.**

Section 205 (42 U.S.C. 5115) is amended—

(1) in subsection (a), by striking ''$10,000,000,'' and all that follows through ''203(c)(1)'' and inserting ''$20,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000 to carry out programs and activities authorized'';

(2) by striking subsection (b); and

(3) by redesignating subsection (c) as subsection (b).

## Subtitle G—Abandoned Infants Assistance Act of 1986

**SEC. 971. REAUTHORIZATION.**

Section 104(a)(1) of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended by striking ''$20,000,000'' and all that follows through the end thereof and inserting ''$35,000,000 for each of the fiscal years 1996 and 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2000''.

## Subtitle H—Reauthorization of Various Programs

**SEC. 981. MISSING CHILDREN'S ASSISTANCE ACT.**

Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—

(1) by striking ''To'' and inserting ''(a) IN GENERAL.—''

(2) by striking ''and 1996'' and inserting ''1996, and 1997''; and

(3) by adding at the end thereof the following new subsection:

''(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.''.

**SEC. 982. VICTIMS OF CHILD ABUSE ACT OF 1990.**

Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—

(1) in subsection (a)(2), by striking ''and 1996'' and inserting ''1996, and 1997''; and

(2) in subsection (b)(2), by striking ''and 1996'' and inserting ''1996 and 1997''.

## TITLE X—EFFECTIVE DATE; MISCELLANEOUS PROVISIONS

**SEC. 1001. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on October 1, 1996.

(b) ONE YEAR EXTENSION OF JOBS PROGRAM.—The authorization for the JOBS program under part F of title IV of the Social Security Act, as in effect on the date of the enactment of this Act shall be extended through fiscal year 1997 for $1,000,000,000 and allocated to the States in the same manner as under section 495 of the Social Security Act, as added by section 201 of this Act, except that the participation rate under clause (vi) of section 403(l)(3)(A) of such Act, as so in effect, shall be applied by substituting ''25 percent'' for ''20 percent''.

**SEC. 1002. TREATMENT OF EXISTING WAIVERS.**

(a) IN GENERAL.—If any waiver granted to a State under section 1115 of the Social Security Act (42 U.S.C. 1315) or otherwise which relates to the provision of assistance under a State plan approved under title IV of the such Act (42 U.S.C. 601 et seq.), is in effect or approved by the Secretary of Health and Human Services as of the date of the enactment of this Act, the amendments made by this Act, at the option of the State, shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver.

(b) FUNDING.—If the State elects the treatment described in subsection (a), the State—

(1) may use so much of the remainder of the Federal funds available for such waiver project as determined by the Secretary of Health and Human Services based on an evaluation of the budget of such waiver project; and

(2) may have any costs in excess of the cost neutrality requirements forgiven by the Secretary from funds not described in section 414(a)(2).

(c) REPORTS.—If the State does not elect the treatment described in subsection (a), and unless the Secretary of Health and Human Services determines that the waiver project is not of sufficient duration, the State shall submit a report on the operation and results of the waiver project, including any effects on employment and welfare receipt.

**SEC. 1003. EXPEDITED WAIVER PROCESS.**

Notwithstanding any other provision of law, the Secretary of Health and Human Services shall approve or disapprove a waiver submitted under section 1115 of the Social Security Act (42 U.S.C. 1315) not later than 90 days after the date the completed application is received. In considering such an application, there shall be the presumption for approval in the case of a request for a waiver that is similar in substance and scale to a previously approved waiver.

**SEC. 1004. COUNTY WELFARE DEMONSTRATION PROJECT.**

(a) IN GENERAL.—The Secretary of Health and Human Services and the Secretary of Agriculture may jointly enter into negotiations with any county having a population greater than 500,000 for the purpose of establishing appropriate rules to govern the establishment and operation of a 5-year welfare demonstration project. Under the demonstration project—

(1) the county shall have the authority and duty to administer the operation within the county of 1 or more of the programs established under title I or II of this Act as if the county were considered a State for purposes of such programs; and

(2) the State in which the county is located shall pass through directly to the county 100 percent of a proportion of the Federal funds received by the State under each of the programs described in paragraph (1) that is administered by the county under such paragraph, which proportion shall be separately calculated for each such program based (to the extent feasible and appropriate) on the formula used by the Federal government to allocate payments to the States under the program. Additionally, any State financial participation in these programs shall be no different for counties participating in the demonstration projects authorized by this section than for other counties within the State.

(b) COMMENCEMENT OF PROJECT.—After the conclusion of the negotiations described in subsection (a), the Secretary of Health and Human Services and the Secretary of Agriculture may authorize the county to conduct the demonstration project described in such subsection in accordance with the rules established under such subsection.

(c) REPORT.—The Secretary of Agriculture and the Secretary of Health and Human Services shall submit to the Congress a joint report on any demonstration project conducted under this section not later than 6 months after the termination of the project. Such report shall, at a minimum, describe the project, the rules negotiated with respect to the project under subsection (a), and the innovations (if any) that the county was able to initiate under the project.

**SEC. 1005. WORK REQUIREMENTS FOR STATE OF HAWAII.**

Section 485(a)(2)(B) of the Social Security Act, as added by section 201(a), is amended by redesignating clause (iii) as clause (iv), and by inserting after clause (ii) the following new clause:

''(iii) DEEMED HOURS OF WORK.—For purposes of subclauses (II) and (III) of subparagraph (A)(i), '19 hours' shall be substituted for '20 hours' in determining the State of Hawaii's work performance rate.''.

**SEC. 1006. REQUIREMENT THAT DATA RELATING TO THE INCIDENCE OF POVERTY IN THE UNITED STATES BE PUBLISHED AT LEAST EVERY 2 YEARS.**

(a) IN GENERAL.—The Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall, to the extent feasible, produce and publish for each State, county, and local unit of general purpose government for which data have been compiled in the most recent census of population under section 141(a) of title 13, United States Code, and for each school district, data relating to the incidence of poverty. Such data may be produced by means of sampling, estimation, or any other method that the Secretary determines will produce current, comprehensive, and reliable data.

(b) CONTENT; FREQUENCY.—Data under this section—

(1) shall include—

(A) for each school district, the number of children age 5 to 17, inclusive, in families below the poverty level; and

(B) for each State and county referred to in subsection (a), the number of individuals age 65 or older below the poverty level; and

(2) shall be published—

(A) for each State, county, and local unit of general purpose government referred to in subsection (a), in 1997 and at least every 2nd year thereafter; and

(B) for each school district, in 1999 and at least every 2nd year thereafter.

(c) AUTHORITY TO AGGREGATE.—

(1) IN GENERAL.—If reliable data could not otherwise be produced, the Secretary may, for purposes of subsection (b)(1)(A), aggregate school districts, but only to the extent necessary to achieve reliability.

(2) INFORMATION RELATING TO USE OF AUTHORITY.—Any data produced under this subsection shall be appropriately identified and shall be accompanied by a detailed explanation as to how and why aggregation was used (including the measures taken to minimize any such aggregation).

(d) REPORT TO BE SUBMITTED WHENEVER DATA IS NOT TIMELY PUBLISHED.—If the Secretary is unable to produce and publish the data required under this section for any State, county, local unit of general purpose government, or school district in any year specified in subsection (b)(2), a report shall be submitted by the Secretary to the President of the Senate and the Speaker of the House of Representatives, not later than 90 days before the start of the following year, enumerating each government or school district excluded and giving the reasons for the exclusion.

(e) CRITERIA RELATING TO POVERTY.—In carrying out this section, the Secretary shall use the same criteria relating to poverty as were used in the most recent census of population under section 141(a) of title 13, United States Code (subject to such periodic adjustments as may be necessary to compensate for inflation and other similar factors).

(f) CONSULTATION.—The Secretary shall consult with the Secretary of Education in carrying out the requirements of this section relating to school districts.

(g) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $1,500,000 for each of fiscal years 1997 through 2001.

**SEC. 1007. STUDY BY THE CENSUS BUREAU.**

(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Work First Act of 1996 on a random national sample of recipients of assistance under State programs funded under part A of title IV of the Social Security Act and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

(b) AUTHORIZATION OF APPROPRIATIONS.—Out of any money in the Treasury of the United States not otherwise appropriated, the Secretary of the Treasury shall pay to the Bureau of the Census $10,000,000 for each of fiscal years 1997, 1998, 1999, 2000, and 2001 to carry out subsection (a).

**SEC. 1008. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.**

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the appropriate committees of the Congress a legislative proposal providing for such technical and conforming amendments in the law as are required by the provisions of this Act.

## LIEBERMAN AMENDMENTS NOS. 4899–4900

(Ordered to lie on the table.)

Mr. LIEBERMAN submitted two amendments intended to be proposed by him to the bill, S. 1956, supra; as follows:

AMENDMENT NO. 4899

Section 2903 is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''Section''; and

(2) by adding at the end the following:

(b) DEDICATION OF BLOCK GRANT SHARE.—Section 2001 of the Social Security Act (42 U.S.C. 1397) is amended—

(1) in the matter preceding paragraph (1), by inserting ''(a)'' before ''For''; and

(2) by adding at the end the following:

''(b) For any fiscal year in which a State receives an allotment under section 2003, such State shall dedicate an amount equal to 3 percent of such allotment to fund programs and services that teach minors to—

''(1) avoid out-of-wedlock pregnancies;.''

AMENDMENT NO. 4900

Section 2101 is amended—

(1) by redesignating paragraphs (7) through (9) as paragraphs 8 through (10), respectively;

(2) in paragraph (10), as so redesignated, by inserting '', and protection of teenage girls from pregnancy as well as predatory sexual behavior'' after ''birth''; and

(3) by inserting after paragraph (6), the following:

(7) An effective strategy to combat teenage pregnancy must address the issue of male responsibility, including statutory rape culpability and prevention. The increase of teenage pregnancies among the youngest girls is particularly severe and is linked to predatory sexual practices by men who are significantly older.

(A) It is estimated that in the late 1980's, the rate for girls age 14 and under giving birth increased 26 percent.

(B) Data indicates that at least half of the children born to teenage mothers are fathered by adult men. Available data suggests that almost 70 percent of births to teenage girls are fathered by men over age 20.

(C) Surveys of teen mothers have revealed that a majority of such mothers have histories of sexual and physical abuse, primarily with older adult men.

Section 402(a)(1)(A) of the Social Security Act, as added by section 2103(a)(1), is amended—

(1) by redesignating clauses (vi) and (vii) as clauses (vii) and (viii), respectively; and

(2) by inserting after clause (v), the following:

''(vi) Conduct a program, designed to reach State and local law enforcement officials; the education system, and relevant counseling services, that provides education and training on the problem of statutory rape so that teenage pregnancy prevention programs may be expanded in scope to include men.

Section 2908 is amended—

(1) by inserting ''(a) SENSE OF THE SENATE.—'' before ''It''; and

(2) by adding at the end the following:

(b) JUSTICE DEPARTMENT PROGRAM ON STATUTORY RAPE.—

(1) ESTABLISHMENT.—Not later than January 1, 1997, the Attorney General shall establish and implement a program that—

(A) studies the linkage between statutory rape and teenage pregnancy, particularly by predatory older men committing repeat offensives; and

(B) educates State and local criminal law enforcement officials on the prevention and prosecution of statutory rape, focusing in particular on the commission of statutory rape by predatory older men committing repeat offensives, and any links to teenage pregnancy.

(2) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Attorney General to carry out the provisions of paragraph (1), $1,000,000 for each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002.

(c) VIOLENCE AGAINST WOMEN INITIATIVE.—The Attorney General shall ensure that the Department of Justice's Violence Against Women initiative addresses the issue of statutory rape, particularly the commission of statutory rape by predatory older men committing repeat offensives.

## ASHCROFT (AND NICKLES) AMENDMENT NO. 4901

Mr. ASHCROFT (for himself and Mr. NICKLES) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike existing Section 2902, and replace with the following:

**''SEC. 2902. SANCTIONING WELFARE RECIPIENTS FOR TESTING POSITIVE FOR THE USE OF CONTROLLED SUBSTANCES.**

Notwithstanding any other provision of law, States shall randomly test welfare recipients, including recipients of assistance under the temporary assistance for needy families program under part A of title IV of the Social Security Act and individuals receiving food stamps under the program defined in section 3(h) of the Food Stamp Act of 1977, for the use of controlled substances and shall sanction welfare recipients who test positive for the use of such illegal drugs.

## DODD (AND OTHERS) AMENDMENT NO. 4902

Mr. DODD (for himself, Mr. COATS, Mr. KENNEDY, Mrs. KASSEBAUM, Ms. SNOWE, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL, Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, Mr. LEAHY, Mrs. BOXER, Mr. EXON, Mr. WELLSTONE, and Mr. HATCH) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 628, strike clauses (vi) and (vii) of section 2805(2)(A).

## MURRAY AMENDMENT NO. 4903

Mrs. MURRAY proposed an amendment to the bill, S 1956, supra; as follows:

Strike section 1206.

# THE OCEAN SHIPPING ACT OF 1996

## PRESSLER (AND OTHERS) AMENDMENT NO. 4904

(Ordered referred to the Committee on Commerce, Science, and Transportation.)

Mr. PRESSLER (for himself, Mr. LOTT, Mr. GORTON, Mrs. HUTCHISON, Mr. EXON, Mr. INOUYE, and Mr. BREAUX) submitted an amendment intended to be proposed by them to the bill (S. 1356) to amend the Shipping Act of 1984 to provide for ocean shipping reform, and for other purposes; as follows:

Strike out all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''International Ocean Shipping Act of 1996''.

**SEC. 2. EFFECTIVE DATE.**

Except as otherwise expressly provided in this Act, this Act and the amendments made by this Act take effect on October 1, 1997.

**TITLE I AMENDMENTS TO THE SHIPPING ACT OF 1984**

**SEC. 101. PURPOSE.**

Section 1 of the Shipping Act of 1984 (46 U.S.C. App. 1701) is amended by—

(1) striking ''and'' after the semicolon in paragraph (2);

(2) striking ''needs.'' in paragraph (3) and inserting ''needs; and''; and

(3) adding at the end thereof the following:

''(4) to promote the growth and development of United States exports through competitive and efficient ocean transportation and by placing a greater reliance on the marketplace.''.

**SEC. 102. DEFINITIONS.**

Section 3 of the Shipping Act of 1984 (46 U.S.C. App. 1702) is amended by—

(1) striking paragraph (5) and redesignating paragraph (4) as paragraph (5);

(2) inserting after paragraph (3) the following:

''(4) 'Board' means the Intermodal Transportation Board.'';

(3) adding at the end of paragraph (7) the following: ''a conference agreement does not result in the formation of a single commercial identity, and members of the conference retain their identity as individual carriers in the trade.'';

(4) striking ''the government under whose registry the vessels of the carrier operate'' in paragraph (8) and inserting ''a government'';

(5) striking ''in an unfinished or semi-finished state that require special handling moving in lot sizes too large for a container'' in paragraph (11);

(6) striking ''paper board in rolls, and paper in rolls.'' in paragraph (11) and inserting ''paper and paper board in rolls or in pallet or skid-sized sheets.'';

(7) striking paragraph (17) and redesignating paragraphs (18) through (27) as paragraphs (17) through (26), respectively;

(8) striking paragraph (18), as designated, and inserting the following:

''(18) 'ocean freight forwarder' means a person that—

''(A)(i) in the United States, dispatches shipments from the United States via a common carrier and books or otherwise arranges space for those shipments on behalf of shippers; and

''(ii) processes the documentation or performs related activities incident to those shipments; or

''(B) acts as a common carrier that does not operate the vessels by which the ocean transportation is provided, and is a shipper in its relationship with an ocean common carrier.'';

(9) striking paragraph (20) as redesignated and inserting the following:

''(20) 'service contract' means a written contract, other than a bill of lading or a receipt, between one or more shippers and one or more ocean common carriers or a conference in which the shipper or shippers makes a commitment to provide a certain volume or portion of cargo over a fixed time period, and the ocean common carrier or carriers or a conference commits to a certain rate or rate scheduled and a defined service level such as, assured space, transit time, port rotation, or similar service features; the contract may also specify provisions in the event of nonperformance on the part of any party.'';

(10) striking ''made.'' in paragraph (22), as redesignated, and inserting ''made, a shippers' association, or an ocean freight forwarder described in paragraph (18)(B) of this section.''.

**SEC. 103. AGREEMENTS WITHIN THE SCOPE OF THE ACT.**

Section 4(a) of the Shipping Act of 1984 (46 U.S.C. App. 1703(a)) is amended by—

(1) striking ''operators or non-vessel operating common carriers;'' in paragraph (5) and inserting ''operators;''; and

(2) striking paragraph (7) and inserting the following:

''(7) discuss and agree upon any matter related to service contracts, and enter service contracts and agreements related to those contracts.''.

**SEC. 104. AGREEMENTS.**

(a) IN GENERAL.—Section 5 of the Shipping Act of 1984 (46 U.S.C. App. 1704) is amended by—

(1) striking subsection (b)(8) and inserting the following:

''(8) provide that any member of the conference may take independent action on any rate or service item in a tariff upon not more than 5 calendar days' notice to the conference and that, except for exempt commodities not published in the conference tariff, the conference will include the new rate or service item in its tariff for use by that member, effective no later than 5 calendar days after receipt of the notice, and by any other member that notifies the conference that it elects to adopt the independent rate or service item on or after its effective date, in lieu of the existing conference tariff provision for that rate or service item.''; and

(2) striking ''this Act, the Shipping Act, 1916, and the Intercoastal Shipping Act, 1933'' in subsection (d) and inserting ''this Act and the Shipping Act, 1916''.

(d) SPECIAL EFFECTIVE DATE.—The amendment made by subsection (a)(2) shall take effect on September 30, 1996.

**SEC. 105. EXEMPTION FROM ANTITRUST LAWS.**

Section 7(a) of the Shipping Act of 1984 (46 U.S.C. App. 1706(a)) is amended by—

(1) inserting ''or publication'' in paragraph (2) after ''filing''; and

(2) inserting ''Federal Maritime'' before ''Commission'' in paragraph (6).

**SEC. 106. TARIFFS.**

Section 8 of Shipping Act of 1984 (46 U.S.C. App. 1707) is amended by—

(1) inserting ''new assembled motor vehicles,'' after ''scrap,'' in subsection (a)(1);

(2) striking ''file with the Commission, and'' in subsection (a)(1);

(3) striking ''inspection,'' in subsection (a)(1) and inserting ''inspection in an automated tariff system approved by the Board,'';

(4) striking ''tariff filings'' in subsection (a)(1) and inserting ''tariffs'';

(5) striking ''loyalty contract,'' in subsection (a)(1)(E);

(6) striking paragraph (2) of subsection (a) and inserting the following:

''(2) Tariffs shall be made available electronically to any person, without time, quantity, or other limitation, through appropriate access from remote terminals, and a reasonable charge may be assessed for such access. No charge may be assessed for access by a Federal agency.

(7) striking subsection (c) and inserting the following:

(c) ''SERVICE CONTRACTS—

''(1) IN GENERAL.—One or more ocean common carriers or conferences may enter into a service contract with one or more shippers subject to the requirements of this Act. The exclusive remedy for a breach of a contract entered into under this subsection shall be an action in an appropriate court, unless the parties otherwise agree.

''(2) AGREEMENT SERVICE CONTRACTS.—Except for service contracts dealing with bulk cargo, forest products, recycled metal scrap, new assembled motor vehicles, waste paper, or paper waste, each contract entered into under this subsection by an agreement of 2 or more ocean common carriers shall be filed with the Board, and at the same time, a concise statement of its essential terms shall be filed with the Board and made available to the general public in tariff format, and those essential terms shall be available to all shippers similarly situated. The essential terms shall include—

''(A) the origin and destination port ranges in the case of port-to-port movements, and the origin and destination geographic areas in the case of through intermodal movements;

''(B) the commodity or commodities involved;

''(C) the minimum volume;

''(D) the line-haul rate;

''(E) the duration;

''(F) service commitments; and

''(G) the liquidated damages for nonperformance, if any.

''(3) INDIVIDUAL SERVICE CONTRACTS.—Service contracts entered into under this subsection between one or more shippers and an individual ocean common carrier may be made on a confidential basis. Service contracts entered into under this subsection shall be retained by the parties of the contract for 3 years subsequent to the expiration of the contract.

''(4) AGREEMENT SERVICE CONTRACT PROVISIONS.—Any agreement among ocean common carriers that is filed under section 5(a) of this Act may—

''(A) not prohibit the members of the agreement from negotiating and entering into individual service contracts under this subsection;

''(B) establish voluntary rules or requirements affecting the rates, terms, and conditions included in individual service contracts under this subsection; and

''(C) require a member of the agreement to disclose the existence of an existing individual service contract under this subsection or negotiation on a service contract under this subsection when the agreement enters into negotiations with or has an existing contract with the same shipper.'';

(8) striking ''30 days after filing with the Commission'' in the first sentence of subsection (d) and inserting ''7 calendar days after publication'';

(9) striking ''30'' in the second sentence of subsection (d) and inserting ''7''; and

(10) striking ''and filing with the Commission'' in the last sentence of subsection (d);

(11) striking subsection (e) and inserting the following:

''(e) MARINE TERMINAL OPERATOR SCHEDULES.—A marine terminal operator may make available to the public a schedule of rates, regulations, and practices, including limitations of liability (other than for negligence), pertaining to receiving, delivering, handling, or storing property at its marine terminal. Any such schedule made available to the public shall be enforceable as an implied contract, without proof of actual knowledge of its provisions.''; and

(12) striking subsection (f) and inserting the following:

''(f) REGULATIONS.—The Board shall by regulation prescribe the requirements for automated tariff systems established under this section and shall approve any automated tariff system that complies with those requirements. The Board shall disapprove or, after periodic review, cancel any automated tariff system that fails to meet the requirements established under this section. The Board shall by regulation prescribe the form and manner in which marine terminal operator schedules authorized by this section shall be published.''.

**SEC. 107. AUTOMATED TARIFF FILING AND INFORMATION SYSTEM.**

Section 502 of the High Seas Driftnet Fisheries Enforcement Act (46 U.S.C. App. 1707a) is repealed.

**SEC. 108. CONTROLLED CARRIERS.**

Section 9 of the Shipping Act of 1984 (46 U.S.C. App. 1708) is amended by—

(1) striking ''filed with the Commission'' in the first sentence of subsection (a) and inserting a comma and ''or charge or assess rates'';

(2) striking ''or maintain'' in the first sentence of subsection (a) and inserting ''maintain, or enforce'';

(3) striking ''disapprove'' in the third sentence of subsection (a) and inserting ''prohibit the publication or use of''; and

(4) striking ''filed by a controlled carrier that have been rejected, suspended, or disapproved by the Commission'' in the last sentence of subsection (a) and inserting ''that have been suspended or prohibited by the Board'';

(5) striking ''may take into account appropriate factors including, but not limited to, whether—'' in subsection (b) and inserting ''shall take into account whether'';

(6) striking ''(1)'' in paragraph (1) of subsection (b) and resetting the text of paragraph (1) as a full measure continuation of the matter preceding it;

(7) striking ''filed'' each place it appears in subsection (b) and inserting ''published or assessed'';

(8) striking ''similar trade;'' in subsection (b) and inserting ''similar trade. The Board may also take into account other appropriate factors, including, but not limited to, whether—'';

(9) redesignating paragraphs (2), (3), and (4) of subsection (b) as paragraphs (1), (2), and (3), respectively; and

(10) striking ''filing with the Commission'' in subsection (c) and inserting ''publication'';

(11) striking ''DISAPPROVAL.—'' in subsection (d) and inserting ''PROHIBITION OF RATES.—Within 120 days after the receipt of information requested by the Board under this section, the Board shall determine whether the rates, charges, classifications, rules, or regulations of a controlled carrier may be unjust and unreasonable.'';

(12) striking ''filed'' in subsection (d) and inserting ''published or assessed'';

(13) striking ''may'' in the second sentence of subsection (d), as amended by paragraph (11) of this section, and inserting ''shall'';

(14) striking ''disapproved'' in such sentence and inserting ''prohibited'';

(15) striking ''60'' in subsection (d) and inserting ''30'';

(16) inserting ''controlled'' after ''affected'' in subsection (d);

(17) striking ''file'' in subsection (d) and inserting ''publish''.

(18) striking ''disapproval'' in subsection (e) and inserting ''prohibition'';

(19) inserting ''or'' after the semicolon in subsection (f)(1);

(20) striking paragraphs (2), (3), and (4) of subsection (f); and

(21) redesignating paragraph (5) of subsection (f) as paragraph (2).

**SEC. 109. PROHIBITED ACTS.**

(a) Section 10(b) of the Shipping Act of 1984 (46 U.S.C. App. 1709(b)) is amended by—

(1) striking paragraphs (1) through (3);

(2) redesignating paragraph (4) as paragraph (1);

(3) inserting after paragraph (1), as redesignated, the following:

''(2) provide service in the liner trade that—

''(A) is not in accordance with the rates contained in a tariff published or a service contract entered into under section 8 of this Act;

''(B) is not under an arrangement authorized by an exemption under section 16 of this Act; or

''(C) is under a tariff or service contract which has been suspended or prohibited by the Board;'';

(4) redesignating paragraphs (5) through (16) as paragraphs (3) through (14);

(5) inserting ''against a person, place, port, class or type of shipper, or ocean freight forwarder'' after ''practice'' in paragraph (3), as redesignated;

(6) in paragraph (5), as redesignated, inserting ''or engage in a pattern of unjust or unreasonable below-market pricing which causes meaningful harm to another carrier in the same trade'' after ''fighting ship'';

(7) in paragraph (8), as redesignated, inserting ''except for service contracts,'' before ''demand,'';

(8) in paragraph (10), as redesignated, inserting ''except for service contracts,'' after ''deal or,'';

(9) striking ''a non-vessel-operating common carrier'' each place it appears in paragraph (12) and paragraph (13), as redesignated, and inserting ''an ocean freight forwarder'';

(10) striking ''and 23'' in paragraph (12) and paragraph (13), as redesignated, and inserting ''and 19'';

(11) striking ''paragraph (16)'' in the matter appearing after paragraph (14), as redesignated, and inserting ''paragraph (14)''; and

(12) inserting ''the Board,'' after ''United States,'' in such matter.

(b) Section 10(d)(3) of the Shipping Act of 1984 (46 U.S.C. App. 1709(d)(3)) is amended by striking ''subsection (b)(11), (12), and (16) of this section'' and inserting ''subsection (b)(9), (10), and (14) of this section''.

**SEC. 110. COMPLAINTS, INVESTIGATIONS, REPORTS, AND REPARATIONS.**

Section 11 of the Shipping Act of 1984 (46 U.S.C. App. 1710) is amended by—

(1) striking ''section 6(g),'' in subsection (a) and inserting ''section 6(g) or section 10(b)(5),''

(2) striking ''10(b)(5) or (7)'' in subsection (g) and inserting ''10(b)(3)''; and

(3) striking ''10(b)(6)(A) or (B)'' in subsection (g) and inserting ''10(b)(4).''.

**SEC. 111. DEFINITIONS.**

Section 10002 of the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1710a) is amended by—

(1) striking ''non-vessel-operating common carrier,'' in subsection (a)(1) and inserting ''ocean freight forwarder,'';

(2) striking ''non-vessel-operating common carrier operations,'' in subsection (a)(4);

(3) striking ''filed with the Commission,'' in subsection (e)(1)(B) and inserting ''and service contracts,'';

(4) inserting ''and service contracts'' after ''tariffs'' the second place it appears in subsection (e)(1)(B); and

(5) striking ''13(b)(5) of the Shipping Act of 1984 (46 App. U.S.C. 1712(b)(5))'' in subsection (h) and inserting ''13(b)(3) of the Shipping Act of 1984 (46 U.S.C. App. 1712(b)(3))''.

**SEC. 112. AMENDMENTS TO FOREIGN SHIPPING PRACTICES ACT.**

Section 10002 of the Foreign Shipping Practices Act of 1988 (46 U.S.C. App. 1710a) is amended by—

(1) striking ''non-vessel-operating common carrier'' in subsection (a)(1) and inserting ''ocean freight forwarder''; and

(2) striking ''non-vessel-operating common carrier operations,'' in subsection (a)(4);

(3) striking ''filed with the Commission,'' in subsection (e)(1)(B) and inserting ''and service contracts,''; and

(4) inserting ''and service contracts'' after ''tariffs'' the second place it appears; and

(5) striking ''13(b)(5) of the Shipping Act of 1984 (46 U.S.C. App. 1712(b)(5))'' in subsection (h) and inserting ''13(b)(3) of the Shipping Act of 1984 (46 U.S.C. 1712(b)(3))''.

**SEC. 113. PENALTIES.**

(a) Section 13(a) of the shipping Act of 1984 (46 U.S.C. App. 1712(a)) is amended by adding at the end thereof the following: ''The amount of any penalty imposed upon a common carrier under this subsection shall constitute a lien upon the vessels of the common carrier and any such vessel may be libeled therefor in the district court of the United States for the district in which is may be found.''.

(b) Section 13(b) of the Shipping Act of 1984 (46 U.S.C./ App. 1712(b)) is amended by—

(1) striking paragraphs (1) through (3) and redesignating paragraphs (4) through (6) as paragraphs (2) through (4);

(2) inserting before paragraph (2), as redesignated, the following:

''(1) If the board finds, after notice and an opportunity for a hearing, that a common carrier has failed to supply information ordered to be produced or compelled by subpoena under section 12 of this Act, the Board may request that the Secretary of the Treasury refuse or revoke any clearance required for a vessel operated by that common carrier. Upon request by the board, the Secretary of the Treasury shall, with respect to the vessel concerned, refuse or revoke any clearance required by section 4197 of the Revised Statutes of the United States (46 U.S.C. App. 91)''; and

(3) striking ''paragraphs (1), (2), and (3) of this subsection.'' in paragraph (3), as redesignated, and inserting ''paragraph (1) of this subsection.''.

(c) Section 13(f)(1) of the Shipping Act of 1984 (46 U.S.C. App. 1712(f)(1)) is amended by striking ''section 10(a)(1), (b)(1), or (b)(4)'' and inserting ''section 10(a)(1) or 10(b)(1).''.

**SEC. 114. REPORTS AND CERTIFICATES.**

Section 15 of the Shipping Act of 1984 (46 U.S.C. App. 1714) is amended by—

(1) striking ''and certificates'' in the section heading;

(2) striking ''(a) REPORTS.—'' in the subsection heading; and

(3) striking subsection (b).

**SEC. 115. EXEMPTIONS.**

Section 16 of the Shipping Act of 1984 (46 U.S.C. App. 1715) is amended by striking ''substantially impair effective regulation by the Commission, be unjustly discriminatory, result in substantial reduction in competition, or be detrimental to commerce.'' and inserting ''result in substantial reduction in competition or be detrimental to commerce.''.

**SEC. 116. AGENCY REPORTS AND ADVISORY COMMISSION.**

Section 18 of the Shipping Act of 1984 (46 U.S.C. App. 1717) is repealed.

**SEC. 117. OCEAN FREIGHT FORWARDERS.**

Section 19 of the Shipping Act of 1984 (46 U.S.C. App. 1718) is amended—

(1) striking subsection (a) and inserting the following:

''(a) LICENSE.—No person may act as an ocean freight forwarder unless that person holds a license issued by the Board. The Board shall issue a forwarder's license to any person that the Board determines to be qualified by experience and character to act as an ocean freight forwarder.'';

(2) redesignating subsections (b), (c), and (d) as subsections (c), (d), and (e), respectively;

(3) inserting after subsection (a) the following:

''(b) FINANCIAL RESPONSIBILITY.—

''(1) No person may act as a ocean freight forwarder unless that person furnishes a bond, proof of insurance, or other surety in a form and amount determined by the Board to insure financial responsibility that is issued by a surety company found acceptable by the Secretary of the Treasury.

''(2) A bond, insurance, or other surety obtained pursuant to this section—

''(A) shall be available to pay any judgment for damages against an ocean freight forwarder arising from its transportation-related activities under section 3(18) of this Act, or any order for reparation issued pursuant to section 11 or 14 of this Act, or any penalty assessed pursuant to section 13 of this Act; and

''(B) may be available to pay any claim deemed valid by the surety company against an ocean freight forwarder arising from its transportation-related activities under section 3(18) of this Act.

''(3) An ocean freight forwarder not domiciled in the United States shall designate a resident agent in the United States for receipt of service of judicial and administrative process, including subpoenas.'';

(4) striking ''a bond in accordance with subsection (a)(2)'' in subsection (c), as redesignated, and inserting ''a bond, proof of insurance, or other surety in accordance with subsection (b)(1)'';

(5) striking paragraph (3) of subsection (e), as redesignated, and redesignating paragraph (4) as paragraph (3); and

(6) adding at the end of subsection (e), as redesignated, the following:

''(4) No conference or group of 2 or more ocean common carriers in the foreign commerce of the United States that is authorized to agree upon the level of compensation paid to an ocean freight forwarder, as defined in section 3(18)(A) of this Act, may—

''(A) deny to any member of the conference or group the right, upon notice of not more than 5 calendar days, to take independent action on any level of compensation paid to an ocean freight forwarder; or

''(B) agree to limit the payment of compensation to an ocean freight forwarder, as defined in section 3(18)(A) of this Act, to less than 1.25 percent of the aggregate of all rates and charges which are applicable under a tariff and which are assessed against the cargo on which the forwarding services are provided.''.

**SEC. 118. CONTRACTS, AGREEMENTS, AND LICENSES PRIOR TO SHIPPING LEGISLATION.**

Section 20 of the Shipping Act of 1984 (46 U.S.C. App. 1719) is amended by—

(1) striking subsection (d) and inserting the following:

''(d) EFFECTS ON CERTAIN AGREEMENTS AND CONTRACTS.—All agreements, contracts, modifications, and exemptions previously issued, approved, or effective under the Shipping Act, 1916, or the Shipping Act of 1984 shall continue in force and effect as if issued or effective under this Act, as amended by the International Ocean Shipping Act of 1996, and all new agreements, contracts, and modifications to existing, pending, or new contracts or agreements shall be considered under this Act, as amended by the International Ocean Shipping Act of 1996.'';

(2) inserting the following at the end of subsection (e):

''(3) The International Ocean Shipping Act of 1996 shall not affect any suit—

''(A) filed before the effective date of that Act, or

''(B) with respect to claims arising out of conduct engaged in before the effective date of that Act filed within 1 year after the effective date of that Act.

''(4) Regulations issued by the Federal Maritime Commission shall remain in force and effect where not inconsistent with this Act, as amended by the International Ocean Shipping Act of 1996.''.

**SEC. 119. SURETY FOR NON-VESSEL-OPERATING COMMON CARRIERS.**

Section 23 of the Shipping Act of 1984 (46 U.S.C. App. 1721) is repealed.

**SEC. 120. REPLACEMENT OF FEDERAL MARITIME COMMISSION WITH INTERMODAL TRANSPORTATION BOARD.**

The Shipping Act of 1984 (46 U.S.C. App. 1701 et seq.) is amended by—

(1) striking ''Federal Maritime Commission'' each place it appears, except in section 20, and inserting ''Intermodal Transportation Board'';

(2) striking ''Commission'' each place it appears (including chapter and section headings), except in sections 7(a)(6) and 20, and inserting ''Board''; and

(3) striking ''Commission's'' each place it appears and inserting ''Board's''.

## TITLE II TRANSFER OF FUNCTIONS OF THE FEDERAL MARITIME COMMISSION TO THE INTERMODAL TRANSPORTATION BOARD

**SEC. 201. TRANSFER TO THE INTERMODAL TRANSPORTATION BOARD.**

(a) CHANGE OF NAME OF SURFACE TRANSPORTATION BOARD TO INTERMODAL TRANSPORTATION BOARD.—The ICC Termination Act of 1955 (Pub. L. 104–88) is amended by striking ''Surface Transportation Board'' each place it appears and inserting ''Intermodal Transportation Board''.

(b) FUNCTIONS OF THE FEDERAL MARITIME COMMISSION.—All functions, powers and duties vested in the Federal Maritime Commission shall be administered by the Intermodal Transportation Board.

(c) REGULATIONS.—No later than July 1, 1997, the Federal Maritime Commission, in consultation with the Surface Transportation Board, shall prescribe final regulations to implement the changes made by this Act.

(d) AUTHORIZATION OF APPROPRIATIONS FOR FISCAL YEAR 1997.—There is authorized to be appropriated to the Federal Maritime Commission, $19,000,000 for fiscal year 1997.

(e) COMMISSIONERS OF THE FEDERAL MARITIME COMMISSION.—Subject to the political party restrictions of section 701(b) of title 49, United States Code, the 2 Commissioners of the Federal Maritime Commission whose terms have the latest expiration dates shall become members of the Intermodal Transportation Board first appointed under this subsection, the one with the first expiring term (as a member of the Federal Maritime Commission) shall serve for a term ending December 31, 1997, and the other shall serve for a term ending December 31, 2000.

(f) MEMBERSHIP OF THE INTERMODAL TRANSPORTATION BOARD.—

(1) NUMBER OF MEMBERS.—Section 701(b)(1) of title 49, United States Code, is amended by—

(A) striking ''3 members'' and inserting ''5 members''; and

(B) striking ''2 members'' and inserting ''3 members''.

(2) QUALIFICATIONS.—Section 701(b)(2) of title 49, United States Code, is amended by inserting after ''sector.'' the following: ''Effective October 1, 1997, at least 2 members shall be individuals with—

''(A) professional standing and demonstrated knowledge in the field of maritime transportation or its regulation; or

''(B) professional or business experience in the maritime transportation private sector, including marine terminal or public port operation.''.

## TITLE III AMENDMENTS TO OTHER SHIPPING AND MARITIME LAWS

**SEC. 301. AMENDMENTS TO SECTION 19 OF THE MERCHANT MARINE ACT, 1920**

Section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876) is amended by—

(1) striking ''Federal Maritime Commission'' each place it appears and inserting ''Intermodal Transportation Board'';

(2) inserting ''ocean freight'' after ''solicitations,'' in subsection (1)(b);

(3) striking ''non-vessel-operating common carrier operations,'' in subsection (1)(b);

(4) striking ''methods or practices'' and inserting ''methods, pricing practices, or other practices'' in subsection (1)(b);

(5) striking ''filed with the Commission'' in subsection (9)(b); and

(7) striking ''Commission'' each place it appears (including the heading) and inserting ''Board''.

**SEC. 302. TECHNICAL CORRECTIONS.**

(a) PUBLIC LAW 89–777.—

(1) The Act of November 6, 1966, (Pub. L. 89–777; 80 Stat. 1356 46 U.S.C. App. 817 et seq.) is amended by—

(A) striking ''Shipping Act, 1916'' in section 2(d) and inserting ''Shipping Act of 1984'';

(B) striking ''Shipping Act, 1916'' in section 3(d) and inserting ''Shipping Act of 1984'';

(C) striking ''Federal Maritime Commission'' each place it appears and inserting ''Intermodal Transportation Board''; and

(D) striking ''Commission'' each place it appears and inserting ''Board''.

(2) The amendments made by subparagraphs (A) and (B) of paragraph (1) take effect on September 30, 1996.

(b) SHIPPING ACT, 1916.—The Shipping Act, 1916 (46 U.S.C. App. 801 et seq.) is amended by—

(1) striking ''Federal Maritime Commission'' each place it appears and inserting ''Intermodal Transportation Board''; and

(2) striking ''Commission'' each place it appears and inserting ''Board''.

(c) TITLE 28, UNITED STATES CODE, AND CROSS REFERENCE.—

(1) Section 2341 of title 28, United States Code, is amended by—

(A) striking ''Commission, the Federal Maritime Commission,'' in paragraph (3)(A); and

(B) striking ''Surface'' in paragraph (3)(E) and inserting ''Intermodal''.

(2) Section 2342 of such title is amended by—

(A) striking paragraph (3) and inserting the following:

''(3) all rules, regulations, or final orders of the Secretary of Transportation issued pursuant to section 2, 9, 37, 41, or 43 of the Shipping Act, 1916 (46 U.S.C. App. 802, 803, 808, 835, 839, or 841a) or pursuant to part B or C of subtitle IV of title 49 (49 U.S.C. 15101 et seq.);''; and

(B) striking paragraph (5) and inserting the following:

''(5) all rules, regulations, or final orders of the Intermodal Transportation Board—

''(A) made reviewable by section 2321 of this title; or

''(B) pursuant to—

''(i) section 19 of the Merchant Marine Act, 1920 (46 U.S.C. App. 876);

''(ii) section 14 or 17 of the Shipping Act of 1984 (46 U.S.C. App. 1713 or 1716); or

''(iii) section 2(d) or 3(d) of the Act of November 6, 1966 (46 U.S.C. App. 817d(d) or 817e(d));''.

(3) Section 10002(i) of the Foreign Shipping Practices Act of 1988 (46 U.S.C. 1710a(i)) is amended by striking ''2342(3)(B)'' and inserting ''2342(5)(B)''.

Mr. PRESSLER. Mr. President, I rise today to take another step in my overall maritime reform agenda, the International Ocean Shipping Act of 1996.

Last October, I introduced S. 1356, a companion bill to H.R. 2149. I did so to begin Senate discussion of this important reform proposal. In November, I chaired a Committee on Commerce, Science, and Transportation hearing on the bill. The hearing revealed numerous issues affecting all segments of the liner ocean shipping industry that required further consideration.

Today, I am submitting an amendment (No. 4904) to S. 1356. By so doing, I am putting out for public comment a proposed refined version of the bill which would institute comprehensive reforms in how the Federal Government regulates the liner trade in the foreign commerce of the United States. This amendment addresses the concerns raised in the November hearing.

I am pleased to be joined by Senators GORTON, LOTT, HUTCHISON, INOUYE, EXON, and BREAUX as cosponsors in this amendment. This bipartisan approach demonstrates just how serious we are about achieving meaningful reform.

The House has passed its version of ocean shipping reform legislation. The Senate does not have much time left in this Congress to make its mark on this issue. I intend to hold a hearing on this legislation in the near future. With the support of my fellow Commerce Committee members and other Senators, we can pass ocean shipping reform legislation this year.

Mr. President, 95 percent of U.S. foreign commerce is transported via ocean shipping. Approximately half of this amount is shipped in bulk form, e.g., oil, grain, chemicals, etc., on an unregulated vessel charter basis. The remainder is shipped by container on liner vessels—regularly scheduled service—under the Shipping Act of 1984, as regulated by the Federal Maritime Commission [FMC]. As the international liner shipping trade has evolved since 1984, many industry segments have requested changes in the Shipping Act of 1984 to keep pace with this evolution.

My amendment, the International Ocean Shipping Act of 1996, would improve the Shipping Act of 1984 in several key areas.

First, it would eliminate the filing of common carrier tariffs with the Federal Government. Instead of requiring Government approval, tariffs would become effective upon publication through private systems. My amendment also would increase tariff rate flexibility by easing restrictions on tariff rate changes and independent action by conference carriers.

Second, it would allow for greater flexibility in service contracting by shippers and ocean common carriers. The amendment would allow individual ocean common carriers and shippers to negotiate confidential service contracts. It also would allow shippers' associations and ocean freight forwarders to negotiate service contracts as shippers.

Third, responsibility for enforcing U.S. ocean shipping laws would be shifted to the Surface Transportation Board, which would be renamed the Intermodal Transportation Board. The Federal Maritime Commission would be terminated at the end of fiscal year 1997. A single independent agency would then administer domestic surface, rail, and water transportation and international ocean transportation regulations. The Government would catch up to the carriers and shippers, who are already thinking intermodally.

Finally, the Intermodal Transportation Board would be given new tools to address predatory pricing ocean common carriers while ensuring increased competition in the industry.

## THE PERSONAL RESPONSIBILITY, WORK OPPORTUNITY, AND MEDICAID RESTRUCTURING ACT OF 1996

### FAIRCLOTH AMENDMENT NO. 4905

Mr. FAIRCLOTH proposed an amendment to the bill, S. 1956, supra; as follows:

On page 399, between lines 10 and 11, insert the following:

**Subchapter F—Other Provisions**

**SEC. 2241. PROHIBITION OF RECRUITMENT ACTIVITIES.**

(a) IN GENERAL.—Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

''PROHIBITION OF RECRUITMENT ACTIVITIES

''Nothing in this title shall be construed to authorize recruitment activities under this title, including with respect to any outreach programs or demonstration projects.''.

### JEFFORDS AMENDMENT NO. 4906

Mr. ROTH (for Mr. JEFFORDS) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 1–5, strike line 18 and all that follows through page. 1–7, line 12, and insert the following:

(a) IN GENERAL.—Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended by striking paragraph (11) and inserting the following: ''(11)(A) any payments or allowances made for the purpose of providing energy assistance under any Federal law, or (B) a 1-time payment or allowance made under a Federal or State law for the costs of weatherization or emergency repair or replacement of an unsafe or inoperative furnace or other heating or cooling device,''.

(b) CONFORMING AMENDMENTS.—Section 5(k) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''plan for aid to families with dependent children approved'' and inserting ''program funded''; and

(B) in subparagraph (B), by striking '', not including energy or utility-cost assistance,'';

(2) in paragraph (2), by striking subparagraph (C) and inserting the following:

''(C) a payment or allowance described in subsection (d)(11);''; and

(3) by adding at the end the following:

''(4) THIRD PARTY ENERGY ASSISTANCE PAYMENTS.—

''(A) ENERGY ASSISTANCE PAYMENTS.—For purposes of subsection (d)(1), a payment made under a State law to provide energy assistance to a household shall be considered money payable directly to the household.

''(B) ENERGY ASSISTANCE EXPENSES.—For purposes of subsection (e)(7), an expense paid on behalf of a household under a State law to provide energy assistance shall be considered an out-of-packet expense incurred and paid by the household.''.

### CRAIG AMENDMENT NO. 4907

Mr. ROTH (for Mr. CRAIG) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 467, line 22, strike all through page 469, line 18, and insert the following:

''(D) ACCESS TO INFORMATION CONTAINED IN CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, and subject to the nonliability of entities that afford such access under this subparagraph, to information contained in the following records (including automated access, in the case of records maintained in automated data bases):

''(i) Records of other State and local government agencies, including—

''(I) vital statistics (including records of marriage, birth, and divorce);

''(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

''(III) records concerning real and titled personal property;

''(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

''(V) employment security records;

''(VI) records of agencies administering public assistance programs;

''(VII) records of the motor vehicle department; and

''(VIII) corrections records.

''(ii) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom a support obligation is sought), consisting of—

''(I) the names and addresses of such individuals and the names and addresses of the employers of such individuals, as appearing in customer records of public utilities and cable television companies, pursuant to an administrative subpoena authorized by subparagraph (B); and

''(II) information (including information on assets and liabilities) on such individuals held by financial institutions.

### MCCAIN AMENDMENT NO. 4908

Mr. ROTH (for Mr. MCCAIN) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 411, between lines 2 and 3, insert the following:

''(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).

On page 411, line 3, strike ''(3)'' and insert ''(4)''.

On page 554, between lines 7 and 8, insert the following:

**SEC. 2375. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.**

(a) CHILD SUPPORT ENFORCEMENT AGREEMENTS.—Section 454 (42 U.S.C. 654), as amended by sections 2301(b), 2303(a), 2312(b), 2313(a), 2333, 2343(b), 2370(a)(2), and 2371(b) of this Act is amended—

(1) by striking ''and'' at the end of paragraph (31);

(2) by striking the period at the end of paragraph (32) and inserting ''; and'';

(3) by adding after paragraph (32) the following new paragraph:

''(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, and enforce support orders, and to enter support orders in accordance with child support guidelines established by such tribe or organization, under which the State and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all funding collected pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such funding in accordance with such agreement; and

(4) by adding at the end the following new sentence: ''Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled 'An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes', approved April 11, 1968 (25 U.S.C. 1322).''.

(b) DIRECT FEDERAL FUNDING TO INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—Section 455 (42 U.S.C. 655) is amended by adding at the end the following new subsection:

''(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(33).''.

(c) COOPERATIVE ENFORCEMENT AGREEMENTS.—Paragraph (7) of section 454 (42

U.S.C. 654) is amended by inserting ''and Indian tribes or tribal organizations (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b))'' after ''law enforcement officials''.

(d) CONFORMING AMENDMENT.—Subsection (c) of section 428 (42 U.S.C. 628) is amended to read as follows:

''(c) For purposes of this section, the terms 'Indian tribe' and 'tribal organization' shall have the meanings given such terms by subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), respectively.''.

## COATS (AND WYDEN) AMENDMENT NO. 4909

Mr. ROTH (for Mr. COATS, for himself and Mr. WYDEN) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of chapter 7, of subtitle A, of title II, add the following:

**SEC. . KINSHIP CARE.**

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking ''and'' at the end of paragraph (16);

(2) by striking the period at the end of paragraph (17) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(18) provides that States shall give preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.''.

## BREAUX AMENDMENT NO. 4910

Mr. BREAUX proposed an amendment to the bill, S. 1956, supra; as follows:

Section 408(a)(8) of the Social Security Act, as added by section 2103(a)(1), is amended by adding at the end the following:

''(E) EFFECTS OF DENIAL OF CASH ASSISTANCE.—

''(i) PROVISION OF VOUCHERS.—In the event that a family is denied cash assistance because of a time limit imposed under this paragraph—

''(I) in the event that a family is denied cash assistance because of a time limit imposed at the option of a State that is less than 60 months, a State shall provide vouchers to the family in accordance with clause (iii); and

''(II) in the event that a family is denied cash assistance because of the 60 month time limit imposed pursuant to this paragraph, a State may provide vouchers to the family in accordance with such clause.

''(ii) OTHER ASSISTANCE.—The—

''(I) eligibility of a family that receives a voucher under clause (i) for any other Federal or federally assisted program based on need, shall be determined without regard to the voucher; and

''(II) such a family shall be considered to be receiving cash assistance in the amount of the assistance provided in the voucher for purposes of determining the amount of any assistance provided to the family under any other such program.

''(iii) VOUCHER REQUIREMENTS.—A voucher provided to a family under clause (i) shall be based on a State's assessment of the needs of a child of the family and shall be—

''(I) determined based on the basic subsistence needs of the child;

''(II) designed appropriately to pay third parties for shelter, goods, and services received by the child; and

''(III) payable directly to such third parties.

## FAIRCLOTH AMENDMENT NO. 4911

Mr. FAIRCLOTH proposed an amendment to the bill, S. 1956, supra; as follows:

On page 245, line 22, insert ''and subparagraph (C),'' after ''(B)''.

On page 249, between lines 14 and 15, insert the following:

''(C) REQUIREMENT THAT ADULT RELATIVE OR GUARDIAN NOT HAVE A HISTORY OF ASSISTANCE.—A State shall not use any part of the grant paid under section 403 to provide cash assistance to an individual described in subparagraph (B)(ii) if such individual resides with a parent, guardian, or other adult relative who is receiving assistance under a State program funded under this part and has been receiving this assistance for a 3-year period.

## BIDEN (AND SPECTER) AMENDMENT NO. 4912

Mr. BIDEN (for himself and Mr. SPECTER) proposed an amendment to the bill, S. 1956, supra; as follows:

Strike all after the enacting clause and insert the following:

**SECTION 1. SHORT TITLE.**

This Act may be cited as the ''Bipartisan Welfare Reform Act of 1996''.

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

The table of contents of this Act is as follows:


Sec. 1. Short title.
Sec. 2. Table of contents.

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

Sec. 101. Findings.
Sec. 102. Reference to Social Security Act.
Sec. 103. Block grants to States.
Sec. 104. Services provided by charitable, religious, or private organizations.
Sec. 105. Census data on grandparents as primary caregivers for their grandchildren.
Sec. 106. Report on data processing.
Sec. 107. Study on alternative outcomes measures.
Sec. 108. Conforming amendments to the Social Security Act.
Sec. 109. Conforming amendments to the Food Stamp Act of 1977 and related provisions.
Sec. 110. Conforming amendments to other laws.
Sec. 111. Development of prototype of counterfeit-resistant social security card required.
Sec. 112. Disclosure of receipt of Federal funds.
Sec. 113. Modifications to the job opportunities for certain low-income individuals program.
Sec. 114. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 115. Application of current AFDC standards under medicaid program.
Sec. 116. Effective date; transition rule.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Sec. 200. Reference to Social Security Act.

Subtitle A—Eligibility Restrictions

Sec. 201. Denial of SSI benefits for 10 years to individuals found to have fraudulently misrepresented residence in order to obtain benefits simultaneously in 2 or more States.
Sec. 202. Denial of SSI benefits for fugitive felons and probation and parole violators.
Sec. 203. Verification of eligibility for certain SSI disability benefits.
Sec. 204. Treatment of prisoners.
Sec. 205. Effective date of application for benefits.
Sec. 206. Installment payment of large past-due supplemental security income benefits.
Sec. 207. Recovery of supplemental security income overpayments from social security benefits.

Subtitle B—Benefits for Disabled Children

Sec. 211. Definition and eligibility rules.
Sec. 212. Eligibility redeterminations and continuing disability reviews.
Sec. 213. Additional accountability requirements.
Sec. 214. Reduction in cash benefits payable to institutionalized individuals whose medical costs are covered by private insurance.
Sec. 215. Modification respecting parental income deemed to disabled children.
Sec. 216. Graduated benefits for additional children.

Subtitle C—State Supplementation Programs

Sec. 221. Repeal of maintenance of effort requirements applicable to optional State programs for supplementation of SSI benefits.

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## TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

**SEC. 101. FINDINGS.**

The Congress makes the following findings:

(1) Marriage is the foundation of a successful society.

(2) Marriage is an essential institution of a successful society which promotes the interests of children.

(3) Promotion of responsible fatherhood and motherhood is integral to successful child rearing and the well-being of children.

(4) In 1992, only 54 percent of single-parent families with children had a child support order established and, of that 54 percent, only about one-half received the full amount due. Of the cases enforced through the public child support enforcement system, only 18 percent of the caseload has a collection.

(5) The number of individuals receiving aid to families with dependent children (in this section referred to as ''AFDC'') has more than tripled since 1965. More than two-thirds of these recipients are children. Eighty-nine percent of children receiving AFDC benefits now live in homes in which no father is present.

(A)(i) The average monthly number of children receiving AFDC benefits—

(I) was 3,300,000 in 1965;

(II) was 6,200,000 in 1970;

(III) was 7,400,000 in 1980; and

(IV) was 9,300,000 in 1992.

(ii) While the number of children receiving AFDC benefits increased nearly threefold between 1965 and 1992, the total number of children in the United States aged 0 to 18 has declined by 5.5 percent.

(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within 10 years.

(C) The increase in the number of children receiving public assistance is closely related to the increase in births to unmarried women. Between 1970 and 1991, the percentage of live births to unmarried women increased nearly threefold, from 10.7 percent to 29.5 percent.

(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

(A) It is estimated that the rate of nonmarital teen pregnancy rose 23 percent from 54 pregnancies per 1,000 unmarried teenagers in 1976 to 66.7 pregnancies in 1991. The overall rate of nonmarital pregnancy rose 14 percent from 90.8 pregnancies per 1,000 unmarried women in 1980 to 103 in both 1991 and 1992. In contrast, the overall pregnancy rate for married couples decreased 7.3 percent between 1980 and 1991, from 126.9 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

(B) The total of all out-of-wedlock births between 1970 and 1991 has risen from 10.7 percent to 29.5 percent and if the current trend continues, 50 percent of all births by the year 2015 will be out-of-wedlock.

(7) The negative consequences of an out-of-wedlock birth on the mother, the child, the family, and society are well documented as follows:

(A) Young women 17 and under who give birth outside of marriage are more likely to go on public assistance and to spend more years on welfare once enrolled. These combined effects of ''younger and longer'' increase total AFDC costs per household by 25 percent to 30 percent for 17-year olds.

(B) Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight.

(C) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect.

(D) Children born out-of-wedlock were more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(E) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage.

(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

(8) Currently 35 percent of children in single-parent homes were born out-of-wedlock, nearly the same percentage as that of children in single-parent homes whose parents are divorced (37 percent). While many parents find themselves, through divorce or tragic circumstances beyond their control, facing the difficult task of raising children alone, nevertheless, the negative consequences of raising children in single-parent homes are well documented as follows:

(A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 46 percent of female-headed households with children under 18 years of age are below the national poverty level.

(B) Among single-parent families, nearly ½ of the mothers who never married received AFDC while only ⅕ of divorced mothers received AFDC.

(C) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children not born into families receiving welfare.

(D) Mothers under 20 years of age are at the greatest risk of bearing low-birth-weight babies.

(E) The younger the single parent mother, the less likely she is to finish high school.

(F) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time.

(G) Between 1985 and 1990, the public cost of births to teenage mothers under the aid to families with dependent children program, the food stamp program, and the medicaid program has been estimated at $120,000,000,000.

(H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

(I) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(J) Children of single-parent homes are 3 times more likely to fail and repeat a year in grade school than are children from intact 2-parent families.

(K) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

(L) Neighborhoods with larger percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

(M) Of those youth held for criminal offenses within the State juvenile justice system, only 29.8 percent lived primarily in a home with both parents. In contrast to these incarcerated youth, 73.9 percent of the 62,800,000 children in the Nation's resident population were living with both parents.

(9) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of the Congress that prevention of out-of-wedlock pregnancy and reduction in out-of-wedlock birth are very important Government interests and the policy contained in part A of title IV of the Social Security Act (as amended by section 103 of this Act) is intended to address the crisis.

**SEC. 102. REFERENCE TO SOCIAL SECURITY ACT.**

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

**SEC. 103. BLOCK GRANTS TO STATES.**

Part A of title IV (42 U.S.C. 601 et seq.) is amended to read as follows:

## "PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

**"SEC. 401. PURPOSE.**

''(a) IN GENERAL.—The purpose of this part is to increase the flexibility of States in operating a program designed to—

''(1) provide assistance to needy families so that children may be cared for in their own homes or in the homes of relatives;

''(2) end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;

''(3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and

''(4) encourage the formation and maintenance of two-parent families.

''(b) NO INDIVIDUAL ENTITLEMENT.—This part shall not be interpreted to entitle any individual or family to assistance under any State program funded under this part.

**"SEC. 402. ELIGIBLE STATES; STATE PLAN.**

''(a) IN GENERAL.—As used in this part, the term 'eligible State' means, with respect to a fiscal year, a State that, during the 2-year period immediately preceding the fiscal year, has submitted to the Secretary a plan that meets the requirements of subsection (b) and has been approved by the Secretary with respect to the fiscal year.

''(b) CONTENTS OF STATE PLANS.—A plan meets the requirements of this subsection if the plan includes the following:

''(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

''(A) GENERAL PROVISIONS.—A written document that outlines how the State will do the following:

''(i) Conduct a program, designed to serve all political subdivisions in the State, that provides assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

''(ii) Determine, on an objective and equitable basis, the needs of and the amount of assistance to be provided to needy families, and treat families of similar needs and circumstances similarly, subject to subparagraph (B).

''(iii) Require a parent or caretaker receiving assistance under the program to engage in work (as defined by the State) once the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under the program for 24 months (whether or not consecutive), whichever is earlier.

''(iv) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

''(v) Grant an opportunity for a fair hearing before the State agency to any individual to whom assistance under the program is denied, reduced, or terminated, or whose request for such assistance is not acted on with reasonable promptness.

''(vi) Take such reasonable steps as the State deems necessary to restrict the use and disclosure of information about individuals and families receiving assistance under the program attributable to funds provided by the Federal Government.

''(vii) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section 403(a)(2)(B)) for calendar years 1996 through 2005.

''(B) SPECIAL PROVISIONS.—

''(i) The plan shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and if so, how the State intends to treat such families under the program.

''(ii) The plan shall indicate whether the State intends to provide assistance under the program to individuals who are not citizens of the United States, and if so, shall include an overview of such assistance.

''(iii) The plan shall contain an estimate of the number of individuals (if any) who will become ineligible for medical assistance under the State plan approved under title XIX as a result of changes in the rules governing eligibility for the State program funded under this part, and shall indicate the extent (if any) to which the State will provide medical assistance to such individuals, and the scope of such medical assistance.

''(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child support enforcement program under the State plan approved under part D.

''(3) CERTIFICATION THAT THE STATE WILL NOT OPERATE A SEPARATE FINANCIAL SUPPORT PROGRAM WITH STATE FUNDS TARGETED AT CERTAIN CHILD SUPPORT RECIPIENTS.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will not operate a separate financial support program with State funds targeted at child support recipients who would be eligible for assistance under the program funded under this part were it not for payments from the State-funded financial assistance program.

''(4) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD PROTECTION PROGRAM.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will operate a child protection program under the State plan approved under part B.

''(5) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—The plan shall include a certification by the chief executive officer of the State specifying which State agency or agencies will administer and supervise the program referred to in paragraph (1) for the fiscal year, which shall include assurances that local governments and private sector organizations—

''(A) have been working jointly with the State in all phases of the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations;

''(B) have had at least 60 days to submit comments on the final plan and the design of such services; and

''(C) will not have unfunded mandates imposed on them under such plan.

Such certification shall also include assurance that when local elected officials are currently responsible for the administration of welfare services, the local elected officials will be able to plan, design, and administer for their jurisdictions the programs established pursuant to this Act.

''(6) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—The plan shall include a certification by the chief executive officer of the State that, during the fiscal year, the State will provide each Indian who is a member of an Indian tribe in the State that does not have a tribal family assistance plan approved under section 412 with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

''(7) CERTIFICATION OF NONDISPLACEMENT AND NONREPLACEMENT OF EMPLOYEES.—The plan shall include a certification that the implementation of the plan will not result in—

''(A) the displacement of a currently employed worker or position by an individual to whom assistance is provided under the State program funded under this part;

''(B) the replacement of an employee who has been terminated with an individual to whom assistance is provided under the State program funded under this part; or

''(C) the replacement of an employee who is on layoff from the same position filled by an individual to whom assistance is provided under the State program funded under this part or any equivalent position.

''(c) APPROVAL OF STATE PLANS.—The Secretary shall approve any State plan that meets the requirements of subsection (b) if the Secretary determines that operating a State program pursuant to the plan will contribute to achieving the purposes of this part.

''(d) PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan submitted by the State under this section.

**"SEC. 403. GRANTS TO STATES.**

''(a) GRANTS.—

''(1) FAMILY ASSISTANCE GRANT.—

''(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary, for each of fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 a grant in an amount equal to the State family assistance grant.

''(B) STATE FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—

''(i) ⅓ of the total amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal years 1992, 1993, and 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect));

''(ii)(I) the total amount required to be paid to the State under former section 403 for fiscal year 1994 (other than with respect to amounts expended by the State for child care under subsection (g) or (i) of former section 402 (as so in effect)); plus

''(II) an amount equal to 85 percent of the amount (if any) by which the total

amount required to be paid to the State under former section 403(a)(5) for emergency assistance for fiscal year 1995 exceeds the total amount required to be paid to the State under former section 403(a)(5) for fiscal year 1994, if, during fiscal year 1994, the Secretary approved under former section 402 an amendment to the former State plan with respect to the provision of emergency assistance in the context of family preservation; or

''(iii) the amount required to be paid to the State under former section 403 (as in effect on September 30, 1995) for fiscal year 1995 (other than with respect to amounts expended by the State under the State plan approved under part F (as so in effect) or for child care under subsection (g) or (i) of former section 402 (as so in effect)), plus the total amount required to be paid to the State for fiscal year 1995 under former section 403(l) (as so in effect).

''(C) TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 DEFINED.—As used in this part, the term 'total amount required to be paid to the State under former section 403' means, with respect to a fiscal year—

''(i) in the case of a State to which section 1108 does not apply, the sum of—

''(I) the Federal share of maintenance assistance expenditures for the fiscal year, before reduction pursuant to subparagraph (B) or (C) of section 403(b)(2) (as in effect on September 30, 1995), as reported by the State on ACF Form 231;

''(II) the Federal share of administrative expenditures (including administrative expenditures for the development of management information systems) for the fiscal year, as reported by the State on ACF Form 231;

''(III) the Federal share of emergency assistance expenditures for the fiscal year, as reported by the State on ACF Form 231;

''(IV) the Federal share of expenditures for the fiscal year with respect to child care pursuant to subsections (g) and (i) of former section 402 (as in effect on September 30, 1995), as reported by the State on ACF Form 231; and

''(V) the aggregate amount required to be paid to the State for the fiscal year with respect to the State program operated under part F (as in effect on September 30, 1995), as determined by the Secretary, including additional obligations or reductions in obligations made after the close of the fiscal year; and

''(ii) in the case of a State to which section 1108 applies, the lesser of—

''(I) the sum described in clause (i); or

''(II) the total amount certified by the Secretary under former section 403 (as in effect during the fiscal year) with respect to the territory.

''(D) INFORMATION TO BE USED IN DETERMINING AMOUNTS.—

''(i) FOR FISCAL YEARS 1992 AND 1993.—

''(I) In determining the amount described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of April 28, 1995.

''(II) In determining the amount described in subparagraph (C)(i)(V) for any State for each of fiscal years 1992 and 1993, the Secretary shall use information available as of January 6, 1995.

''(ii) FOR FISCAL YEAR 1994.—In determining the amounts described in subparagraph (C)(i) for any State for fiscal year 1994, the Secretary shall use information available as of April 28, 1995.

''(iii) FOR FISCAL YEAR 1995.—

''(I) In determining the amount described in subparagraph (B)(ii)(II) for any State for fiscal year 1995, the Secretary shall use the information which was reported by the States and estimates made by the States with respect to emergency assistance expenditures and was available as of August 11, 1995.

''(II) In determining the amounts described in subclauses (I) through (IV) of subparagraph (C)(i) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

''(III) In determining the amount described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 5, 1995.

''(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, 2000, and 2001 such sums as are necessary for grants under this paragraph.

''(2) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

''(A) IN GENERAL.—In addition to any grant under paragraph (1), each eligible State shall be entitled to receive from the Secretary for fiscal year 1998 or any succeeding fiscal year, a grant in an amount equal to the State family assistance grant multiplied by—

''(i) 5 percent if—

''(I) the illegitimacy ratio of the State for the fiscal year is at least 1 percentage point lower than the illegitimacy ratio of the State for fiscal year 1995; and

''(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995; or

''(ii) 10 percent if—

''(I) the illegitimacy ratio of the State for the fiscal year is at least 2 percentage points lower than the illegitimacy ratio of the State for fiscal year 1995; and

''(II) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

''(B) ILLEGITIMACY RATIO.—As used in this paragraph, the term 'illegitimacy ratio' means, with respect to a State and a fiscal year—

''(i) the number of out-of-wedlock births that occurred in the State during the most recent fiscal year for which such information is available; divided by

''(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.

''(C) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—For purposes of subparagraph (A), the Secretary shall disregard—

''(i) any difference between the illegitimacy ratio of a State for a fiscal year and the illegitimacy ratio of the State for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate the illegitimacy ratio; and

''(ii) any difference between the rate of induced pregnancy terminations in a State for a fiscal year and such rate for fiscal year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal year 1998 and for each succeeding fiscal year such sums as are necessary for grants under this paragraph.

''(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

''(A) IN GENERAL.—Each qualifying State shall, subject to subparagraph (F), be entitled to receive from the Secretary—

''(i) for fiscal year 1997 a grant in an amount equal to 2.5 percent of the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

''(ii) for each of fiscal years 1998, 1999, and 2000, a grant in an amount equal to the sum of—

''(I) the amount (if any) required to be paid to the State under this paragraph for the immediately preceding fiscal year; and

''(II) 2.5 percent of the sum of—

''(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

''(bb) the amount (if any) required to be paid to the State under this paragraph for the fiscal year preceding the fiscal year for which the grant is to be made.

''(B) PRESERVATION OF GRANT WITHOUT INCREASES FOR STATES FAILING TO REMAIN QUALIFYING STATES.—Each State that is not a qualifying State for a fiscal year specified in subparagraph (A)(ii) but was a qualifying State for a prior fiscal year shall, subject to subparagraph (F), be entitled to receive from the Secretary for the specified fiscal year, a grant in an amount equal to the amount required to be paid to the State under this paragraph for the most recent fiscal year for which the State was a qualifying State.

''(C) QUALIFYING STATE.—

''(i) IN GENERAL.—For purposes of this paragraph, a State is a qualifying State for a fiscal year if—

''(I) the level of welfare spending per poor person by the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for such preceding fiscal year; and

''(II) the population growth rate of the State (as determined by the Bureau of the Census for the most recent fiscal year for which information is available) exceeds the average population growth rate for all States (as so determined) for such most recent fiscal year.

''(ii) STATE MUST QUALIFY IN FISCAL YEAR 1997.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1997 by reason of clause (i) if the State is not a qualifying State for fiscal year 1997 by reason of clause (i).

''(iii) CERTAIN STATES DEEMED QUALIFYING STATES.—For purposes of this paragraph, a State is deemed to be a qualifying State for fiscal years 1997, 1998, 1999, and 2000 if—

''(I) the level of welfare spending per poor person by the State for fiscal year 1996 is less than 35 percent of the national average level of State welfare spending per poor person for fiscal year 1996; or

''(II) the population of the State increased by more than 10 percent from April 1, 1990, to July 1, 1994, as determined by the Bureau of the Census.

''(D) DEFINITIONS.—As used in this paragraph:

''(i) LEVEL OF WELFARE SPENDING PER POOR PERSON.—The term 'level of State welfare spending per poor person' means, with respect to a State and a fiscal year—

''(I) the sum of—

''(aa) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; and

''(bb) the amount (if any) paid to the State under this paragraph for the immediately preceding fiscal year; divided by

''(II) the number of individuals, according to the 1990 decennial census, who were residents of the State and whose income was below the poverty line.

''(ii) NATIONAL AVERAGE LEVEL OF STATE WELFARE SPENDING PER POOR PERSON.—The term 'national average level of State welfare

spending per poor person' means, with respect to a fiscal year, an amount equal to—

''(I) the total amount required to be paid to the States under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994; divided by

''(II) the number of individuals, according to the 1990 decennial census, who were residents of any State and whose income was below the poverty line.

''(iii) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

''(E) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, and 2000 such sums as are necessary for grants under this paragraph, in a total amount not to exceed $800,000,000.

''(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT APPROPRIATIONS.—If the amount appropriated pursuant to this paragraph for a fiscal year is less than the total amount of payments otherwise required to be made under this paragraph for the fiscal year, then the amount otherwise payable to any State for the fiscal year under this paragraph shall be reduced by a percentage equal to the amount so appropriated divided by such total amount.

''(G) BUDGET SCORING.—Notwithstanding section 257(b)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, the baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

''(4) SUPPLEMENTAL GRANT FOR OPERATION OF WORK PROGRAM.—

''(A) APPLICATION REQUIREMENTS.—An eligible State may submit to the Secretary an application for additional funds to meet the requirements of section 407 with respect to a fiscal year if the Secretary determines that—

''(i) the total expenditures of the State to meet such requirements for the fiscal year exceed the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994);

''(ii) the work programs of the State under section 407 are coordinated with the job training programs established by title II of the Job Training Partnership Act, or (if such title is repealed by the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act) the Consolidated and Reformed Education, Employment, and Rehabilitation Systems Act; and

''(iii) the State needs additional funds to meet such requirements or certifies that it intends to exceed such requirements.

''(B) GRANTS.—The Secretary may make a grant to any eligible State which submits an application in accordance with subparagraph (A) of this paragraph for a fiscal year in an amount equal to the Federal medical assistance percentage of the amount (if any) by which the total expenditures of the State to meet or exceed the requirements of section 407 for the fiscal year exceeds the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994).

''(C) REGULATIONS.—The Secretary shall issue regulations providing for the equitable distribution of funds under this paragraph.

''(D) APPROPRIATIONS.—

''(i) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for grants under this paragraph—

''(I) $150,000,000 for fiscal year 1999;

''(II) $850,000,000 for fiscal year 2000;

''(III) $900,000,000 for fiscal year 2001; and

''(IV) $1,100,000,000 for fiscal year 2002 and for each succeeding fiscal year.

''(ii) AVAILABILITY.—Amounts appropriated pursuant to clause (i) shall remain available until expended.

''(b) CONTINGENCY FUND.—

''(1) ESTABLISHMENT.—There is hereby established in the Treasury of the United States a fund which shall be known as the 'Contingency Fund for State Welfare Programs' (in this section referred to as the 'Fund').

''(2) DEPOSITS INTO FUND.—

''(A) Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1997, 1998, 1999, 2000, 2001 and 2002 such sums as are necessary for payment to the Fund in a total amount not to exceed $2,000,000,000, except as provided in subparagraphs (B) and (C).

''(B) If—

''(i) the average rate of total unemployment in the United States for the most recent 3 months for which data for all States are available is not less than 7 percent; and

''(ii) there are insufficient amounts in the Fund to pay all State claims under paragraph (4) for a quarter in that fiscal year; then

there are appropriated for that fiscal year, in addition to amounts appropriated under paragraph (2)(A), such sums as equal the difference between the amount needed to pay all State claims for that quarter and the amount remaining in the Fund.

''(C) If—

''(i)(I)(aa) the average rate of total unemployment in a State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published is not less than 9 percent; or

''(bb) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period is not less than 120 percent of such average rate for either of the prior 2 years; or

''(II) the average number of persons in the State receiving assistance under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, for the most recent 3-month period for which data are available is not less than 120 percent of such average monthly number for fiscal year 1994 or for fiscal year 1995; and

''(ii) there are insufficient amounts in the Fund to pay all State claims under paragraph (4) for a quarter in that fiscal year; then

there are appropriated for payment to the Fund for that fiscal year, in addition to amounts appropriated pursuant to paragraph (2)(A), for payments to States described in this subparagraph, the amount by which payments to such States under paragraph (4) would otherwise be reduced under paragraph (8).

''(3) PAYMENTS TO STATES.—The method of computing and paying amounts to States from the Fund under this subsection shall be as follows:

''(A) The Secretary shall, before each quarter, estimate the amount to be paid to each State for the quarter from the Fund, such estimate to be based on—

''(i) a report filed by the State containing an estimate by the State of qualifying State expenditures for the quarter; and

''(ii) such other information as the Secretary may find relevant and reliable.

''(B) The Secretary shall then certify to the Secretary of the Treasury the amount so estimated by the Secretary.

''(C) The Secretary of the Treasury shall thereupon pay to the State, at the time or times fixed by the Secretary, the amount so certified.

''(4) GRANTS.—From amounts appropriated pursuant to paragraph (2), the Secretary of the Treasury shall pay to each eligible State for a fiscal year an amount equal to the lesser of—

''(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount, if any, by which the expenditures of the State in the fiscal year under the State program funded under this part and expenditures on cash assistance under other State programs with respect to eligible families (as defined in section 409(a)(5)(B)(i)(III)) exceed historic State expenditures (as defined in section 409(a)(5)(B)(iii)); or

''(B) the number of percentage points (if any) by which 40 percent of the State family assistance grant for the fiscal year exceeds any payment to the State for the fiscal year under section 403(a)(3).

''(5) ANNUAL RECONCILIATION.—At the end of each fiscal year, each State shall remit to the Secretary an amount equal to the amount (if any) by which the total amount paid to the State under paragraph (4) during the fiscal year exceeds the lesser of—

''(A) the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as in effect on September 30, 1995) of the amount (if any) by which the expenditures of the State in the fiscal year under the State program funded under this part and expenditures on cash assistance under other State programs with respect to eligible families (as defined in section 409(a)(5)(B)(i)(III)) exceed historic State expenditures (as defined in section 409(a)(5)(B)(iii)); or

''(B) the amount (if any) by which 40 percent of the State family assistance grant for the fiscal year exceeds any payment to the State for the fiscal year under section 403(a)(3).

''(6) ELIGIBLE STATE.—For purposes of this subsection, a State is an eligible State for a fiscal year, if—

''(A)(i) the average rate of total unemployment in such State (seasonally adjusted) for the period consisting of the most recent 3 months for which data for all States are published is not less than 6.5 percent; and

''(ii) the average rate of total unemployment in such State (seasonally adjusted) for the 3-month period is not less than 110 percent of such average rate for either 1994 or 1995; or

''(B)(i) the average number of persons in the State receiving assistance under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, for the most recent 3-month period for which data are available is not less than 110 percent of the product of—

''(I) such average monthly number for either fiscal year 1994 or fiscal year 1995; and

''(II) the number of percentage points (if any) by which 100 percent exceeds the percentage by which the Bipartisan Welfare Reform Act of 1996, had it been in effect, would have reduced such average monthly number in such State in such fiscal year, as most recently estimated by the Secretary of Agriculture before the date of the enactment of such Act; and

''(ii) the State is not participating in the program established under section 23(b) of the Food Stamp Act of 1977.

''(7) STATE.—As used in this subsection, the term 'State' means each of the 50 States of the United States and the District of Columbia.

''(8) PAYMENT PRIORITY.—Claims by States for payment from the Fund shall be filed quarterly. If the total amount of claims for any quarter exceeds the amount available for payment from the fund, claims shall be

paid on a pro rata basis in a manner to be determined by the Secretary, except in the case of a State described in paragraph (2)(C).

''(9) ANNUAL REPORTS.—The Secretary of the Treasury shall annually report to Congress on the status of the Fund.

**''SEC. 404. USE OF GRANTS.**

''(a) GENERAL RULES.—Subject to this part, a State to which a grant is made under section 403 may use the grant—

''(1) in any manner that is reasonably calculated to accomplish the purpose of this part, including to provide low income households with assistance in meeting home heating and cooling costs; or

''(2) in any manner that the State was authorized to use amounts received under part A or F, as such parts were in effect on September 30, 1995.

''(b) LIMITATION ON USE OF GRANT FOR ADMINISTRATIVE PURPOSES.—

''(1) LIMITATION.—A State to which a grant is made under section 403 shall not expend more than 15 percent of the grant for administrative purposes.

''(2) EXCEPTION.—Paragraph (1) shall not apply to the use of a grant for information technology and computerization needed for tracking or monitoring required by or under this part.

''(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may apply to a family the rules (including benefit amounts) of the program funded under this part of another State if the family has moved to the State from the other State and has resided in the State for less than 12 months.

''(d) AUTHORITY TO USE PORTION OF GRANT FOR OTHER PURPOSES.—

''(1) IN GENERAL.—A State may use not more than 20 percent of the amount of the grant made to the State under section 403 for a fiscal year to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990.

''(2) APPLICABLE RULES.—Any amount paid to the State under this part that is used to carry out a State program pursuant to the Child Care and Development Block Grant Act of 1990 shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided directly under such Act to carry out the program.

''(e) AUTHORITY TO RESERVE CERTAIN AMOUNTS FOR ASSISTANCE.—A State may reserve amounts paid to the State under this part for any fiscal year for the purpose of providing, without fiscal year limitation, assistance under the State program funded under this part.

''(f) AUTHORITY TO OPERATE EMPLOYMENT PLACEMENT PROGRAM.—A State to which a grant is made under section 403 may use the grant to make payments (or provide job placement vouchers) to State-approved public and private job placement agencies that provide employment placement services to individuals who receive assistance under the State program funded under this part.

''(g) IMPLEMENTATION OF ELECTRONIC BENEFIT TRANSFER SYSTEM.—A State to which a grant is made under section 403 is encouraged to implement an electronic benefit transfer system for providing assistance under the State program funded under this part, and may use the grant for such purpose.

**''SEC. 405. ADMINISTRATIVE PROVISIONS.**

''(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

''(b) NOTIFICATION.—Not later than 3 months before the payment of any such quarterly installment to a State, the Secretary shall notify the State of the amount of any reduction determined under section 412(a)(1)(B) with respect to the State.

''(c) COMPUTATION AND CERTIFICATION OF PAYMENTS TO STATES.—

''(1) COMPUTATION.—The Secretary shall estimate the amount to be paid to each eligible State for each quarter under this part, such estimate to be based on a report filed by the State containing an estimate by the State of the total sum to be expended by the State in the quarter under the State program funded under this part and such other information as the Secretary may find necessary.

''(2) CERTIFICATION.—The Secretary of Health and Human Services shall certify to the Secretary of the Treasury the amount estimated under paragraph (1) with respect to a State, reduced or increased to the extent of any overpayment or underpayment which the Secretary of Health and Human Services determines was made under this part to the State for any prior quarter and with respect to which adjustment has not been made under this paragraph.

''(d) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary of the Treasury shall, through the Fiscal Service of the Department of the Treasury and before audit or settlement by the General Accounting Office, pay to the State, at the time or times fixed by the Secretary of Health and Human Services, the amount so certified.

''(e) COLLECTION OF STATE OVERPAYMENTS TO FAMILIES FROM FEDERAL TAX REFUNDS.—

''(1) IN GENERAL.—Upon receiving notice from the Secretary of Health and Human Services that a State agency administering a program funded under this part has notified the Secretary that a named individual has been overpaid under the State program funded under this part, the Secretary of the Treasury shall determine whether any amounts as refunds of Federal taxes paid are payable to such individual, regardless of whether the individual filed a tax return as a married or unmarried individual. If the Secretary of the Treasury finds that any such amount is so payable, the Secretary shall withhold from such refunds an amount equal to the overpayment sought to be collected by the State and pay such amount to the State agency.

''(2) REGULATIONS.—The Secretary of the Treasury shall issue regulations, after review by the Secretary of Health and Human Services, that provide—

''(A) that a State may only submit under paragraph (1) requests for collection of overpayments with respect to individuals—

''(i) who are no longer receiving assistance under the State program funded under this part;

''(ii) with respect to whom the State has already taken appropriate action under State law against the income or resources of the individuals or families involved to collect the past-due legally enforceable debt; and

''(iii) to whom the State agency has given notice of its intent to request withholding by the Secretary of the Treasury from the income tax refunds of such individuals;

''(B) that the Secretary of the Treasury will give a timely and appropriate notice to any other person filing a joint return with the individual whose refund is subject to withholding under paragraph (1); and

''(C) the procedures that the State and the Secretary of the Treasury will follow in carrying out this subsection which, to the maximum extent feasible and consistent with the provisions of this subsection, will be the same as those issued pursuant to section 464(b) applicable to collection of past-due child support.

**''SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.**

''(a) LOAN AUTHORITY.—

''(1) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period to maturity of not more than 3 years.

''(2) LOAN-ELIGIBLE STATE.—As used in paragraph (1), the term 'loan-eligible State' means a State against which a penalty has not been imposed under section 409(e).

''(b) RATE OF INTEREST.—The Secretary shall charge and collect interest on any loan made under this section at a rate equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

''(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for any purpose for which grant amounts received by the State under section 403(a) may be used, including—

''(1) welfare anti-fraud activities; and

''(2) the provision of assistance under the State program to Indian families that have moved from the service area of an Indian tribe with a tribal family assistance plan approved under section 412.

''(d) LIMITATION ON TOTAL AMOUNT OF LOANS TO A STATE.—The cumulative dollar amount of all loans made to a State under this section during fiscal years 1997 through 2001 shall not exceed 10 percent of the State family assistance grant.

''(e) LIMITATION ON TOTAL AMOUNT OF OUTSTANDING LOANS.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

''(f) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated such sums as may be necessary for the cost of loans under this section.

**''SEC. 407. MANDATORY WORK REQUIREMENTS; INDIVIDUAL RESPONSIBILITY PLANS.**

''(a) PARTICIPATION RATE REQUIREMENTS.—

''(1) ALL FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to all families receiving assistance under the State program funded under this part:

| **''If the fiscal year is:** | **The minimum participation rate is:** |
|---|---|
| 1997 | 20 |
| 1998 | 25 |
| 1999 | 30 |
| 2000 | 35 |
| 2001 | 40 |
| 2002 or thereafter | 50. |

''(2) 2-PARENT FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall achieve the minimum participation rate specified in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

÷

| **''If the fiscal year is:** | **The minimum participation rate is:** |
|---|---|
| 1997 | 75 |
| 1998 | 75 |
| 1999 or thereafter | 90. |

''(b) CALCULATION OF PARTICIPATION RATES.—

''(1) ALL FAMILIES.—

''(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(1), the participation rate for all families of a State for a fiscal year is the average of the participation rates for all families of the State for each month in the fiscal year.

''(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for all families of the State for a month, expressed as a percentage, is—

''(i) the number of families receiving assistance under the State program funded under this part that include an adult who is engaged in work for the month; divided by

''(ii) the amount by which—

''(I) the number of families receiving such assistance during the month that include an adult receiving such assistance; exceeds

''(II) the number of families receiving such assistance that are subject in such month to a penalty described in subsection (e)(1) but have not been subject to such penalty for more than 3 months within the preceding 12-month period (whether or not consecutive).

''(C) SPECIAL RULE.—An individual shall be considered to be engaged in work and to be an adult recipient of assistance under a State program funded under this part for purposes of subparagraph (B) for the first 6 months (whether or not consecutive) after the first cessation of assistance to an individual under the program during which the individual is employed for an average of more than 25 hours per week in an unsubsidized job in the private sector.

''(2) 2-PARENT FAMILIES.—

''(A) AVERAGE MONTHLY RATE.—For purposes of subsection (a)(2), the participation rate for 2-parent families of a State for a fiscal year is the average of the participation rates for 2-parent families of the State for each month in the fiscal year.

''(B) MONTHLY PARTICIPATION RATES.—The participation rate of a State for 2-parent families of the State for a month shall be calculated by use of the formula set forth in paragraph (1)(B), except that in the formula the term 'number of 2-parent families' shall be substituted for the term 'number of families' each place such latter term appears.

''(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW.—

''(A) IN GENERAL.—The Secretary shall prescribe regulations for reducing the minimum participation rate otherwise required by this section for a fiscal year by the number of percentage points equal to the number of percentage points (if any) by which—

''(i) the number of families receiving assistance during the fiscal year under the State program funded under this part is less than

''(ii) the number of families that received aid under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1994 or 1995, whichever is the greater.

The minimum participation rate shall not be reduced to the extent that the Secretary determines that the reduction in the number of families receiving such assistance is required by Federal law.

''(B) ELIGIBILITY CHANGES NOT COUNTED.—The regulations described in subparagraph (A) shall not take into account families that are diverted from a State program funded under this part as a result of differences in eligibility criteria under a State program funded under this part and eligibility criteria under the State program operated under the State plan approved under part A (as such plan and such part were in effect on September 30, 1995). Such regulations shall place the burden on the Secretary to prove that such families were diverted as a direct result of differences in such eligibility criteria.

''(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families receiving assistance under a tribal family assistance plan approved under section 412.

''(5) STATE OPTION FOR PARTICIPATION REQUIREMENT EXEMPTIONS.—For any fiscal year, a State may, at its option, not require an individual who is a single custodial parent caring for a child who has not attained 12 months of age to engage in work and may disregard such an individual in determining the participation rates under subsection (a).

''(c) ENGAGED IN WORK.—

''(1) ALL FAMILIES.—For purposes of subsection (b)(1)(B)(i), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in such activities for at least the minimum average number of hours per week specified in the following table during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, if the participation of the recipient in an activity described in subsection (d)(6) has been taken into account for purposes of paragraph (1) or (2) of subsection (b) for fewer than 4 weeks in the fiscal year, an activity described in subsection (d)(6)):

| **''If the month is in fiscal year:** | **The minimum average number of hours per week is:** |
|---|---|
| 1996 | 20 |
| 1997 | 20 |
| 1998 | 20 |
| 1999 or thereafter | 25. |

''(2) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(B)(i), an adult is engaged in work for a month in a fiscal year if the adult is making progress in such activities for at least 25 hours per week during the month, not fewer than 20 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (7), or (8) of subsection (d) (or, if the participation of the recipient in an activity described in subsection (d)(6) has been taken into account for purposes of paragraph (1) or (2) of subsection (b) for fewer than 8 weeks (no more than 4 of which may be consecutive) in the fiscal year, an activity described in subsection (d)(6)).

''(3) LIMITATION ON VOCATIONAL EDUCATION ACTIVITIES COUNTED AS WORK.—For purposes of determining monthly participation rates under paragraphs (1)(B)(i) and (2)(B)(i) of subsection (b), not more than 20 percent of adults in all families and in 2-parent families determined to be engaged in work in the State for a month may meet the work activity requirement through participation in vocational educational training.

''(4) OPTION TO REDUCE NUMBER OF HOURS OF WORK REQUIRED OF SINGLE PARENTS WITH A CHILD UNDER AGE 6.—Notwithstanding paragraph (1), a State may reduce to 20 the number of hours per week during which a single custodial parent is required pursuant to this section to engage in work activities if the family of the parent includes an individual who has not attained 6 years of age.

''(d) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

''(1) unsubsidized employment;

''(2) subsidized private sector employment;

''(3) subsidized public sector employment;

''(4) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

''(5) on-the-job training;

''(6) job search and job readiness assistance;

''(7) community service programs;

''(8) vocational educational training (not to exceed 12 months with respect to any individual);

''(9) job skills training directly related to employment;

''(10) education directly related to employment, in the case of a recipient who has not received a high school diploma or a certificate of high school equivalency; and

''(11) satisfactory attendance at secondary school, in the case of a recipient who—

''(A) has not completed secondary school; and

''(B) is a dependent child, or a head of household who has not attained 20 years of age.

''(e) PENALTIES AGAINST INDIVIDUALS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), if an adult in a family receiving assistance under the State program funded under this part refuses to engage in work required in accordance with this section, the State shall—

''(A) reduce the amount of assistance otherwise payable to the family pro rata (or more, at the option of the State) with respect to any period during a month in which the adult so refuses; or

''(B) terminate such assistance,

subject to such good cause and other exceptions as the State may establish.

''(2) EXCEPTION.—Notwithstanding paragraph (1), a State may not reduce or terminate assistance under the State program funded under this part based on a refusal of an adult to work if the adult is a single custodial parent caring for a child who has not attained 11 years of age, and the adult proves that the adult has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

''(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

''(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

''(C) Unavailability of appropriate and affordable formal child care arrangements.

''(f) NONDISPLACEMENT IN WORK ACTIVITIES.—

''(1) IN GENERAL.—Subject to paragraph (2), an adult in a family receiving assistance under a State program funded under this part attributable to funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

''(2) NO FILLING OF CERTAIN VACANCIES.—No adult in a work activity described in subsection (d) which is funded, in whole or in part, by funds provided by the Federal Government shall be employed or assigned—

''(A) when any other individual is on layoff from the same or any substantially equivalent job; or

''(B) if the employer has terminated the employment of any regular employee or otherwise caused an involuntary reduction of its workforce in order to fill the vacancy so created with an adult described in paragraph (1).

''(3) NO PREEMPTION.—Nothing in this subsection shall preempt or supersede any provision of State or local law that provides greater protection for employees from displacement.

''(g) INDIVIDUAL RESPONSIBILITY PLANS.—

''(1) ASSESSMENT.—The State agency responsible for administering the State program funded under this part shall make an initial assessment of the skills, prior work experience, and employability of each applicant for, or recipient of, assistance under the program who—

''(A) has attained 18 years of age; or

''(B) has not completed high school or obtained a certificate of high school equivalency, and is not attending secondary school.

''(2) CONTENTS OF PLANS.—

''(A) IN GENERAL.—On the basis of the assessment made under paragraph (1) with respect to an individual, the State agency, in consultation with the individual, shall develop an individual responsibility plan for the individual, which—

''(i) shall provide that participation by the individual in job search activities shall be a condition of eligibility for assistance under the State program funded under this part, except during any period for which the individual is employed full-time in an unsubsidized job in the private sector;

''(ii) sets forth an employment goal for the individual and a plan for moving the individual immediately into private sector employment;

''(iii) sets forth the obligations of the individual, which may include a requirement that the individual attend school, maintain certain grades and attendance, keep school age children of the individual in school, immunize children, attend parenting and money management classes, or do other things that will help the individual become and remain employed in the private sector;

''(iv) to the greatest extent possible shall be designed to move the individual into whatever private sector employment the individual is capable of handling as quickly as possible, and to increase the responsibility and amount of work the individual is to handle over time;

''(v) shall describe the services the State will provide the individual so that the individual will be able to obtain and keep employment in the private sector, and describe the job counseling and other services that will be provided by the State; and

''(vi) at the option of the State, may require the individual to undergo appropriate substance abuse treatment.

''(B) TIMING.—The State agency shall comply with subparagraph (A) with respect to an individual—

''(i) within 90 days (or, at the option of the State, 180 days) after the effective date of this part, in the case of an individual who, as of such effective date, is a recipient of aid under the State plan approved under part A (as in effect immediately before such effective date); or

''(ii) within 30 days (or, at the option of the State, 90 days) after the individual is determined to be eligible for such assistance, in the case of any other individual.

''(3) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—The State shall inform all applicants for and recipients of assistance under the State program funded under this part of all available services under the program for which they are eligible.

''(4) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount as the State considers appropriate, the amount of assistance otherwise payable under the State program funded under this part to a family that includes an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

''(h) SENSE OF THE CONGRESS.—It is the sense of the Congress that in complying with this section, each State that operates a program funded under this part is encouraged to assign the highest priority to requiring adults in 2-parent families and adults in single-parent families that include older preschool or school-age children to be engaged in work activities.

''(i) SENSE OF THE CONGRESS THAT STATES SHOULD IMPOSE CERTAIN REQUIREMENTS ON NONCUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require noncustodial, nonsupporting parents who have not attained 18 years of age to fulfill community work obligations and attend appropriate parenting or money management classes after school.

**''SEC. 408. PROHIBITIONS; REQUIREMENTS.**

''(a) IN GENERAL.—

''(1) NO ASSISTANCE FOR FAMILIES WITHOUT A MINOR CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to a family, unless the family includes—

''(A) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

''(B) a pregnant individual.

''(2) NO ADDITIONAL CASH ASSISTANCE FOR CHILDREN BORN TO FAMILIES RECEIVING ASSISTANCE.—

''(A) GENERAL RULE.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash benefits for a minor child who is born to—

''(i) a recipient of assistance under the program operated under this part; or

''(ii) a person who received such assistance at any time during the 10-month period ending with the birth of the child.

''(B) EXCEPTION FOR CHILDREN BORN INTO FAMILIES WITH NO OTHER CHILDREN.—Subparagraph (A) shall not apply to a minor child who is born into a family that does not include any other children.

''(C) EXCEPTION FOR VOUCHERS.—Subparagraph (A) shall not apply to vouchers which are provided in lieu of cash benefits and which may be used only to pay for particular goods and services specified by the State as suitable for the care of the child involved.

''(D) EXCEPTION FOR RAPE OR INCEST.—Subparagraph (A) shall not apply with respect to a child who is born as a result of rape or incest.

''(E) STATE ELECTION TO OPT OUT.—Subparagraph (A) shall not apply to a State if State law specifically exempts the State program funded under this part from the application of subparagraph (A).

''(F) SUBSTITUTION OF FAMILY CAPS IN EFFECT UNDER WAIVERS.—Subparagraph (A) shall not apply to a State—

''(i) if, as of the date of the enactment of this part, there is in effect a waiver approved by the Secretary under section 1115 which permits the State to deny aid under the State plan approved under part A of this title (as in effect without regard to the amendments made by title I of the Bipartisan Welfare Reform Act of 1996) to a family by reason of the birth of a child to a family member otherwise eligible for such aid; and

''(ii) for so long as the State continues to implement such policy under the State program funded under this part, under rules prescribed by the State.

''(3) REDUCTION OR ELIMINATION OF ASSISTANCE FOR NONCOOPERATION IN CHILD SUPPORT.—If the agency responsible for administering the State plan approved under part D determines that an individual is not cooperating with the State in establishing, modifying, or enforcing a support order with respect to a child of the individual, then the State—

''(A) shall deduct from the assistance that would otherwise be provided to the family of the individual under the State program funded under this part the share of such assistance attributable to the individual; and

''(B) may deny the family any assistance under the State program.

''(4) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family leaves the program, which assignment, on and after the date the family leaves the program, shall not apply with respect to any support (other than support collected pursuant to section 464) which accrued before the family received such assistance and which the State has not collected by—

''(i) September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

''(ii) the date the family leaves the program, if the assignment is executed on or after October 1, 2000.

''(B) LIMITATION.—A State to which a grant is made under section 403 shall not require, as a condition of providing assistance to any family under the State program funded under this part, that a member of the family assign to the State any rights to support described in subparagraph (A) which accrue after the date the family leaves the program, except to the extent necessary to enable the State to comply with section 457.

''(5) NO ASSISTANCE FOR TEENAGE PARENTS WHO DO NOT ATTEND HIGH SCHOOL OR OTHER EQUIVALENT TRAINING PROGRAM.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age in his or her care, and has not successfully completed a high-school education (or its equivalent), if the individual does not participate in—

''(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

''(B) an alternative educational or training program that has been approved by the State.

''(6) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

''(A) IN GENERAL.—

''(i) REQUIREMENT.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

''(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual described in this clause is an individual who—

''(I) has not attained 18 years of age; and

''(II) is not married, and has a minor child in his or her care.

''(B) EXCEPTION.—

''(i) PROVISION OF, OR ASSISTANCE IN LOCATING, ADULT-SUPERVISED LIVING ARRANGEMENT.—In the case of an individual who is described in clause (ii), the State agency referred to in section 402(a)(4) shall provide, or assist the individual in locating, a second chance home, maternity home, or other appropriate adult-supervised supportive living arrangement, taking into consideration the needs and concerns of the individual, unless the State agency determines that the individual's current living arrangement is appropriate, and thereafter shall require that the individual and the minor child referred to in subparagraph (A)(ii)(II) reside in such living arrangement as a condition of the continued receipt of assistance under the State program funded under this part attributable to funds provided by the Federal Government

(or in an alternative appropriate arrangement, should circumstances change and the current arrangement cease to be appropriate).

''(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual is described in this clause if the individual is described in subparagraph (A)(ii), and—

''(I) the individual has no parent, legal guardian or other appropriate adult relative described in subclause (II) of his or her own who is living or whose whereabouts are known;

''(II) no living parent, legal guardian, or other appropriate adult relative, who would otherwise meet applicable State criteria to act as the individual's legal guardian, of such individual allows the individual to live in the home of such parent, guardian, or relative;

''(III) the State agency determines that—

''(aa) the individual or the minor child referred to in subparagraph (A)(ii)(II) is being or has been subjected to serious physical or emotional harm, sexual abuse, or exploitation in the residence of the individual's own parent or legal guardian; or

''(bb) substantial evidence exists of an act or failure to act that presents an imminent or serious harm if the individual and the minor child lived in the same residence with the individual's own parent or legal guardian; or

''(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A) with respect to the individual or the minor child.

''(iii) SECOND-CHANCE HOME.—For purposes of this subparagraph, the term 'second-chance home' means an entity that provides individuals described in clause (ii) with a supportive and supervised living arrangement in which such individuals are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.

''(7) NO MEDICAL SERVICES.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide medical services.

''(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

''(8) NO ASSISTANCE FOR MORE THAN 5 YEARS.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to a family that includes an adult who has received assistance under any State program funded under this part attributable to funds provided by the Federal Government, for 60 months (whether or not consecutive) after the date the State program funded under this part commences.

''(B) MINOR CHILD EXCEPTION.—In determining the number of months for which an individual who is a parent or pregnant has received assistance under the State program funded under this part, the State shall disregard any month for which such assistance was provided with respect to the individual and during which the individual was—

''(i) a minor child; and

''(ii) not the head of a household or married to the head of a household.

''(C) HARDSHIP EXCEPTION.—

''(i) IN GENERAL.—The State may exempt a family from the application of subparagraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

''(ii) LIMITATION.—The number of families with respect to which an exemption made by a State under clause (i) is in effect for a fiscal year shall not exceed 20 percent of the average monthly number of families to which assistance is provided under the State program funded under this part.

''(iii) BATTERED OR SUBJECT TO EXTREME CRUELTY DEFINED.—For purposes of clause (i), an individual has been battered or subjected to extreme cruelty if the individual has been subjected to—

''(I) physical acts that resulted in, or threatened to result in, physical injury to the individual;

''(II) sexual abuse;

''(III) sexual activity involving a dependent child;

''(IV) being forced as the caretaker relative of a dependent child to engage in nonconsensual sexual acts or activities;

''(V) threats of, or attempts at, physical or sexual abuse;

''(VI) mental abuse; or

''(VII) neglect or deprivation of medical care.

''(D) RULE OF INTERPRETATION.—Subparagraph (A) shall not be interpreted to require any State to provide assistance to any individual for any period of time under the State program funded under this part.

''(9) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN ASSISTANCE IN 2 OR MORE STATES.—A State to which a grant is made under section 403 shall not use any part of the grant to provide cash assistance to an individual during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under this title, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

''(10) DENIAL OF ASSISTANCE FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—

''(A) IN GENERAL.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to any individual who is—

''(i) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(ii) violating a condition of probation or parole imposed under Federal or State law.

''(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes safeguards against the use or disclosure of information about applicants or recipients of assistance under the State program funded under this part, the safeguards shall not prevent the State agency administering the program from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipient if the officer furnishes the agency with the name of the recipient and notifies the agency that—

''(i) the recipient—

''(I) is described in subparagraph (A); or

''(II) has information that is necessary for the officer to conduct the official duties of the officer; and

''(ii) the location or apprehension of the recipient is within such official duties.

''(11) DENIAL OF ASSISTANCE FOR MINOR CHILDREN WHO ARE ABSENT FROM THE HOME FOR A SIGNIFICANT PERIOD.—

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

''(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—The State may establish such good cause exceptions to subparagraph (A) as the State considers appropriate if such exceptions are provided for in the State plan submitted pursuant to section 402.

''(C) DENIAL OF ASSISTANCE FOR RELATIVE WHO FAILS TO NOTIFY STATE AGENCY OF ABSENCE OF CHILD.—A State to which a grant is made under section 403 shall not use any part of the grant to provide assistance for an individual who is a parent (or other caretaker relative) of a minor child and who fails to notify the agency administering the State program funded under this part of the absence of the minor child from the home for the period specified in or provided for pursuant to subparagraph (A), by the end of the 5-day period that begins with the date that it becomes clear to the parent (or relative) that the minor child will be absent for such period so specified or provided for.

''(12) INCOME SECURITY PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a State to which a grant is made under section 403 uses any part of the grant to provide assistance for any individual who is receiving a payment under a State plan for old-age assistance approved under section 2, a State program funded under part B that provides cash payments for foster care, or the supplemental security income program under title XVI, then the State shall not disregard the payment in determining the amount of assistance to be provided under the State program funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.

''(13) PROVISION OF VOUCHERS TO FAMILIES DENIED CASH ASSISTANCE DUE TO STATE-IMPOSED TIME LIMITS.—

''(A) REQUIREMENT.—If a family is denied assistance under the State program funded under this part by reason of a time limit imposed by the State other than pursuant to paragraph (8), the State shall provide vouchers to the family in accordance with subparagraph (B).

''(B) CHARACTERISTICS OF VOUCHERS.—The vouchers referred to in subparagraph (A) shall be—

''(i) in an amount equal to the amount determined by the State to meet the needs of only the child or children in the family, which shall be determined in the same manner as the State would otherwise determines the needs of the child or children under the program;

''(ii) designed appropriately to pay a third party for goods and services to be provided by the third party to the child or children in the family; and

''(iii) redeemable by a third party described in clause (ii) for a dollar amount equal to the amount of the voucher.

''(b) ALIENS.—For special rules relating to the treatment of aliens, see section 402 of the Bipartisan Welfare Reform Act of 1996.

**''SEC. 409. PENALTIES.**

''(a) IN GENERAL.—Subject to this section:

''(1) FAILURE TO SUBMIT REQUIRED REPORT.—

''(A) IN GENERAL.—If the Secretary determines that a State has not, within 1 month after the end of a fiscal quarter, submitted the report required by section 411(a) for the quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to 4 percent of the State family assistance grant.

''(B) RESCISSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under subparagraph (A) with respect to a report for a fiscal quarter if the State submits the report before the end of the immediately succeeding fiscal quarter.

''(2) FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant.

''(3) FAILURE TO COMPLY WITH PATERNITY ESTABLISHMENT AND CHILD SUPPORT ENFORCEMENT REQUIREMENTS UNDER PART D.—Notwithstanding any other provision of this Act, if the Secretary determines that the State agency that administers a program funded under this part does not enforce the penalties requested by the agency administering part D against recipients of assistance under the State program who fail to cooperate in establishing paternity in accordance with such part, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year (without regard to this section) by not more than 5 percent.

''(4) FAILURE TO TIMELY REPAY A FEDERAL LOAN FUND FOR STATE WELFARE PROGRAMS.—If the Secretary determines that a State has failed to repay any amount borrowed from the Federal Loan Fund for State Welfare Programs established under section 406 within the period of maturity applicable to the loan, plus any interest owed on the loan, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding loan amount, plus the interest owed on the outstanding amount. The Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

''(5) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

''(A) IN GENERAL.—The Secretary shall reduce the grant payable to the State under section 403(a)(1) for fiscal year 1997, 1998, 1999, 2000, 2001, or 2002 by the amount (if any) by which qualified State expenditures for the then immediately preceding fiscal year is less than the applicable percentage of historic State expenditures with respect to the fiscal year.

''(B) DEFINITIONS.—As used in this paragraph:

''(i) QUALIFIED STATE EXPENDITURES.—

''(I) IN GENERAL.—The term 'qualified State expenditures' means, with respect to a State and a fiscal year, the total expenditures by the State during the fiscal year, under all State programs, for any of the following with respect to eligible families:

''(aa) Cash assistance.

''(bb) Child care assistance.

''(cc) Educational activities designed to increase self-sufficiency, job training, and work, excluding any expenditure for public education in the State except expenditures which involve the provision of services or assistance to a member of an eligible family which is not generally available to persons who are not members of eligible families.

''(dd) Administrative costs in connection with the matters described in items (aa), (bb), (cc), and (ee), but only to the extent that such costs do not exceed 15 percent of the total amount of qualified State expenditures for the fiscal year.

''(ee) Any other use of funds allowable under section 404(a)(1).

''(II) EXCLUSION OF TRANSFERS FROM OTHER STATE AND LOCAL PROGRAMS.—Such term does not include expenditures under any State or local program during a fiscal year, except to the extent that—

''(aa) such expenditures exceed the amount expended under the State or local program in the fiscal year most recently ending before the date of the enactment of this part; or

''(bb) the State is entitled to a payment under former section 403 (as in effect immediately before such date of enactment) with respect to such expenditures.

''(III) ELIGIBLE FAMILIES.—As used in subclause (I), the term 'eligible families' means families eligible for assistance under the State program funded under this part, and families who would be eligible for such assistance but for the application of paragraph (2) or (8) of section 408(a) of this Act or section 402 of the Bipartisan Welfare Reform Act of 1996.

''(ii) APPLICABLE PERCENTAGE.—The term 'applicable percentage' means—

''(I) for fiscal year 1996, 85 percent; and

''(II) for fiscal years 1997, 1998, 1999, 2000, and 2001, 85 percent adjusted (if appropriate) in accordance with subparagraph (C).

''(iii) HISTORIC STATE EXPENDITURES.—The term 'historic State expenditures' means, with respect to a State and a fiscal year specified in subparagraph (A), the lesser of—

''(I) the expenditures by the State under parts A and F (as in effect during fiscal year 1994) for fiscal year 1994; or

''(II) the amount which bears the same ratio to the amount described in subclause (I) as—

''(aa) the State family assistance grant for the fiscal year immediately preceding the fiscal year specified in subparagraph (A), plus the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994); bears to

''(bb) the total amount required to be paid to the State under former section 403 (as in effect during fiscal year 1994) for fiscal year 1994.

Such term does not include any expenditures under the State plan approved under part A (as so in effect) on behalf of individuals covered by a tribal family assistance plan approved under section 412, as determined by the Secretary.

''(iv) EXPENDITURES BY THE STATE.—The term 'expenditures by the State' does not include—

''(I) any expenditures from amounts made available by the Federal Government;

''(II) State funds expended for the medicaid program under title XIX; or

''(III) any State funds which are used to match Federal funds or are expended as a condition of receiving Federal funds under Federal programs other than under this part.

''(C) PERFORMANCE-BASED ADJUSTMENTS TO APPLICABLE PERCENTAGE.—

''(i) INCREASE IN MAINTENANCE OF EFFORT THRESHOLD FOR FAILURE TO MEET PARTICIPATION RATES.—If the Secretary determines that a State has failed to achieve the participation rate required by section 407 for a fiscal year, the Secretary shall increase the applicable percentage for the State for the immediately succeeding fiscal year by not more than 5 percentage points. In determining the amount of any such increase, the Secretary shall take into account any increase in the number of persons served by the State program and any increase in the unemployment rate of the State, in accordance with regulations which the Secretary shall prescribe.

''(ii) REDUCTION IN MAINTENANCE OF EFFORT THRESHOLD FOR HIGH PERFORMANCE STATES.—

''(I) CRITERIA.—The Secretary shall, by regulation, establish measures of the effectiveness of the State program funded under this part in moving recipients of assistance under the program into full-time unsubsidized employment. In developing the regulations, the Secretary shall take into account the length of time former recipients of assistance under the program remain employed, the earnings of such former recipients who obtain private sector employment, the total State caseload under the program, and the rate of unemployment in the State.

''(II) REDUCTION OF THRESHOLD.—The Secretary shall reduce the applicable percentage for a State for a fiscal year by not more than 5 percentage points if the Secretary determines that the State achieved the participation rate required by section 407 for the immediately preceding fiscal year and exceeded such performance threshold as the Secretary may establish under subclause (I) of this clause.

''(6) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

''(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 452(a)(4) not to have complied substantially with the requirements of such part for any quarter, and the Secretary determines that the program is not complying substantially with such requirements at the time the finding is made, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found to be in substantial compliance with such requirements by—

''(i) not less than 1 nor more than 2 percent;

''(ii) not less than 2 nor more than 3 percent, if the finding is the 2nd consecutive such finding made as a result of such a review; or

''(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding made as a result of such a review.

''(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of subparagraph (A) of this paragraph and section 452(a)(4), a State which is not in full compliance with the requirements of this part shall be determined to be in substantial compliance with such requirements only if the Secretary determines that any noncompliance with such requirements is of a technical nature which does not adversely affect the performance of the State's program operated under part D.

''(7) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that the State has failed, during the fiscal year, to expend under the State program funded under this part an amount equal to at least 100 percent of the level of historic State expenditures (as defined in paragraph (7)(B)(iii) of this subsection) with respect to the fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State.

''(8) FAILURE TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT REDUCTIONS.—If the grant payable to a State under section 403(a)(1) for a fiscal year is reduced by reason of this subsection, the State shall, during the immediately succeeding fiscal year, expend under the State program funded under this part an amount equal to the total amount of such reductions.

''(9) FAILURE TO PROVIDE VOUCHER ASSISTANCE.—If the Secretary determines that a State program funded under this part has failed to comply with section 408(a)(13) during a fiscal year, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by an amount equal to the difference between the amount the State would have expended on voucher assistance pursuant to section 408(a)(13) during the fiscal year in the absence of such noncompliance and the amount the State expended on such voucher assistance during the fiscal year.

''(10) FAILURE TO PROVIDE TRANSITIONAL MEDICAL ASSISTANCE.—If the Secretary determines that a State has not complied with section 408(a)(15) during a quarter, the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding quarter by an amount equal to 5 percent of the portion of the State family assistance grant that is payable to the State for such succeeding quarter.

''(b) REASONABLE CAUSE EXCEPTION.—

''(1) IN GENERAL.—The Secretary may not impose a penalty on a State under subsection (a) with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

''(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under subsection (a)(5).

÷''(c) CORRECTIVE COMPLIANCE PLAN.—

''(1) IN GENERAL.—

''(A) NOTIFICATION OF VIOLATION.—Before imposing a penalty against a State under subsection (a) with respect to a violation of this part, the Secretary shall notify the State of the violation and allow the State the opportunity to enter into a corrective compliance plan in accordance with this subsection which outlines how the State will correct the violation and how the State will insure continuing compliance with this part.

''(B) 60-DAY PERIOD TO PROPOSE A CORRECTIVE COMPLIANCE PLAN.—During the 60-day period that begins on the date the State receives a notice provided under subparagraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct the violation.

''(C) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives a corrective compliance plan submitted by a State in accordance with subparagraph (B), the Secretary may consult with the State on modifications to the plan.

''(D) ACCEPTANCE OF PLAN.— A corrective compliance plan submitted by a State in accordance with subparagraph (B) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

''(2) EFFECT OF CORRECTING VIOLATION.—The Secretary may not impose any penalty under subsection (a) with respect to any violation covered by a State corrective compliance plan accepted by the Secretary if the State corrects the violation pursuant to the plan.

''(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall assess some or all of a penalty imposed on a State under subsection (a) with respect to a violation if the State does not, in a timely manner, correct the violation pursuant to a State corrective compliance plan accepted by the Secretary.

''(d) LIMITATION ON AMOUNT OF PENALTY.—

''(1) IN GENERAL.—In imposing the penalties described in subsection (a), the Secretary shall not reduce any quarterly payment to a State by more than 25 percent.

''(2) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that paragraph (1) of this subsection prevents the Secretary from recovering during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year, the Secretary shall apply any remaining amount of such penalties to the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year.

''(e) OTHER PENALTIES.—If, after reasonable notice and opportunity for hearing to the State agency administering or supervising the administration of a State program funded under this part, the Secretary finds that the State has failed to comply substantially with any provision of this part or of the State plan approved under section 402, the Secretary shall, if subsection (a) does not apply to the failure, notify the State agency that further payments will not be made to the State under this part (or, in the Secretary's discretion, that the payments will be reduced or limited to categories under, or parts of, the State program not affected by the failure) until the Secretary is satisfied that there is no longer any such failure to comply. Until the Secretary is so satisfied, the Secretary shall make no further payments to the State (or shall reduce or limit payments to categories under or parts of the State program not affected by the failure).

**"SEC. 410. APPEAL OF ADVERSE DECISION.**

''(a) IN GENERAL.—Within 5 days after the date the Secretary takes any adverse action under this part with respect to a State, the Secretary shall notify the chief executive officer of the State of the adverse action, including any action with respect to the State plan submitted under section 402 or the imposition of a penalty under section 409.

''(b) ADMINISTRATIVE REVIEW.—

''(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) of an adverse action, the State may appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

''(2) PROCEDURAL RULES.—The Board shall consider an appeal filed by a State under paragraph (1) on the basis of such documentation as the State may submit and as the Board may require to support the final decision of the Board. In deciding whether to uphold an adverse action or any portion of such an action, the Board shall conduct a thorough review of the issues and take into account all relevant evidence. The Board shall make a final determination with respect to an appeal filed under paragraph (1) not less than 60 days after the date the appeal is filed.

''(c) JUDICIAL REVIEW OF ADVERSE DECISION.—

''(1) IN GENERAL.—Within 90 days after the date of a final decision by the Board under this section with respect to an adverse action taken against a State, the State may obtain judicial review of the final decision (and the findings incorporated into the final decision) by filing an action in—

''(A) the district court of the United States for the judicial district in which the principal or headquarters office of the State agency is located; or

''(B) the United States District Court for the District of Columbia.

''(2) PROCEDURAL RULES.—The district court in which an action is filed under paragraph (1) shall review the final decision of the Board on the record established in the administrative proceeding, in accordance with the standards of review prescribed by subparagraphs (A) through (E) of section 706(2) of title 5, United States Code. The review shall be on the basis of the documents and supporting data submitted to the Board.

**"SEC. 411. DATA COLLECTION AND REPORTING.**

''(a) QUARTERLY REPORTS BY STATES.—

''(1) GENERAL REPORTING REQUIREMENT.—

''(A) CONTENTS OF REPORT.—Beginning July 1, 1996, each State shall collect on a monthly basis, and report to the Secretary on a quarterly basis, the following disaggregated case record information on the families receiving assistance under the State program funded under this part:

''(i) The county of residence of the family.

''(ii) Whether a child receiving such assistance or an adult in the family is disabled.

''(iii) The ages of the members of such families.

''(iv) The number of individuals in the family, and the relation of each family member to the youngest child in the family.

''(v) The employment status and earnings of the employed adult in the family.

''(vi) The marital status of the adults in the family, including whether such adults have never married, are widowed, or are divorced.

''(vii) The race and educational status of each adult in the family.

''(viii) The race and educational status of each child in the family.

''(ix) Whether the family received subsidized housing, medical assistance under the State plan approved under title XIX, food stamps, or subsidized child care, and if the latter 2, the amount received.

''(x) The number of months that the family has received each type of assistance under the program.

''(xi) If the adults participated in, and the number of hours per week of participation in, the following activities:

''(I) Education.

''(II) Subsidized private sector employment.

''(III) Unsubsidized employment.

''(IV) Public sector employment, work experience, or community service.

''(V) Job search.

''(VI) Job skills training or on-the-job training.

''(VII) Vocational education.

''(xii) Information necessary to calculate participation rates under section 407.

''(xiii) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

''(xiv) From a sample of closed cases, whether the family left the program, and if so, whether the family left due to—

''(I) employment;

''(II) marriage;

''(III) the prohibition set forth in section 408(a)(8);

''(IV) sanction; or

''(V) State policy.

''(xv) Any amount of unearned income received by any member of the family.

''(xvi) The citizenship of the members of the family.

''(B) USE OF ESTIMATES.—

''(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

''(ii) SAMPLING AND OTHER METHODS.—The Secretary shall provide the States with such case sampling plans and data collection procedures as the Secretary deems necessary to

produce statistically valid estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

''(2) REPORT ON USE OF FEDERAL FUNDS TO COVER ADMINISTRATIVE COSTS AND OVERHEAD.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the percentage of the funds paid to the State under this part for the quarter that are used to cover administrative costs or overhead.

''(3) REPORT ON STATE EXPENDITURES ON PROGRAMS FOR NEEDY FAMILIES.—The report required by paragraph (1) for a fiscal quarter shall include a statement of the total amount expended by the State during the quarter on programs for needy families.

''(4) REPORT ON NONCUSTODIAL PARENTS PARTICIPATING IN WORK ACTIVITIES.—The report required by paragraph (1) for a fiscal quarter shall include the number of noncustodial parents in the State who participated in work activities (as defined in section 407(d)) during the quarter.

''(5) REPORT ON TRANSITIONAL SERVICES.—The report required by paragraph (1) for a fiscal quarter shall include the total amount expended by the State during the quarter to provide transitional services to a family that has ceased to receive assistance under this part because of employment, along with a description of such services.

''(6) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to define the data elements with respect to which reports are required by this subsection.

''(b) ANNUAL REPORTS TO THE CONGRESS BY THE SECRETARY.—Not later than 6 months after the end of fiscal year 1997, and each fiscal year thereafter, the Secretary shall transmit to the Congress a report describing—

''(1) whether the States are meeting—

''(A) the participation rates described in section 407(a); and

''(B) the objectives of—

''(i) increasing employment and earnings of needy families, and child support collections; and

''(ii) decreasing out-of-wedlock pregnancies and child poverty;

''(2) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

''(3) the characteristics of each State program funded under this part; and

''(4) the trends in employment and earnings of needy families with minor children living at home.

**''SEC. 412. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.**

''(a) GRANTS FOR INDIAN TRIBES.—

''(1) TRIBAL FAMILY ASSISTANCE GRANT.—

''(A) IN GENERAL.—For each of fiscal years 1997, 1998, 1999, and 2000, the Secretary shall pay to each Indian tribe that has an approved tribal family assistance plan a tribal family assistance grant for the fiscal year in an amount equal to the amount determined under subparagraph (B), and shall reduce the grant payable under section 403(a)(1) to any State in which lies the service area or areas of the Indian tribe by that portion of the amount so determined that is attributable to expenditures by the State.

''(B) AMOUNT DETERMINED.—

''(i) IN GENERAL.—The amount determined under this subparagraph is an amount equal to the total amount of the Federal payments to a State or States under section 403 (as in effect during such fiscal year) for fiscal year 1994 attributable to expenditures (other than child care expenditures) by the State or States under parts A and F (as so in effect) for fiscal year 1994 for Indian families residing in the service area or areas identified by the Indian tribe pursuant to subsection (b)(1)(C) of this section.

''(ii) USE OF STATE SUBMITTED DATA.—

''(I) IN GENERAL.—The Secretary shall use State submitted data to make each determination under clause (i).

''(II) DISAGREEMENT WITH DETERMINATION.—If an Indian tribe or tribal organization disagrees with State submitted data described under subclause (I), the Indian tribe or tribal organization may submit to the Secretary such additional information as may be relevant to making the determination under clause (i) and the Secretary may consider such information before making such determination.

''(2) GRANTS FOR INDIAN TRIBES THAT RECEIVED JOBS FUNDS.—

''(A) IN GENERAL.—The Secretary shall pay to each eligible Indian tribe for each of fiscal years 1996, 1997, 1998, 1999, and 2000 a grant in an amount equal to the amount received by the Indian tribe in fiscal year 1994 under section 482(i) (as in effect during fiscal year 1994).

''(B) ELIGIBLE INDIAN TRIBE.—For purposes of subparagraph (A), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program in fiscal year 1995 under section 482(i) (as in effect during fiscal year 1995).

''(C) USE OF GRANT.—Each Indian tribe to which a grant is made under this paragraph shall use the grant for the purpose of operating a program to make work activities available to members of the Indian tribe.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $7,638,474 for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

''(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

''(1) IN GENERAL.—Any Indian tribe that desires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assistance plan that—

''(A) outlines the Indian tribe's approach to providing welfare-related services for the 3-year period, consistent with this section;

''(B) specifies whether the welfare-related services provided under the plan will be provided by the Indian tribe or through agreements, contracts, or compacts with intertribal consortia, States, or other entities;

''(C) identifies the population and service area or areas to be served by such plan;

''(D) provides that a family receiving assistance under the plan may not receive duplicative assistance from other State or tribal programs funded under this part;

''(E) identifies the employment opportunities in or near the service area or areas of the Indian tribe and the manner in which the Indian tribe will cooperate and participate in enhancing such opportunities for recipients of assistance under the plan consistent with any applicable State standards; and

''(F) applies the fiscal accountability provisions of section 5(f)(1) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450c(f)(1)), relating to the submission of a single-agency audit report required by chapter 75 of title 31, United States Code.

''(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (1).

''(3) CONSORTIUM OF TRIBES.—Nothing in this section shall preclude the development and submission of a single tribal family assistance plan by the participating Indian tribes of an intertribal consortium.

''(c) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish for each Indian tribe receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, and penalties against individuals—

''(1) consistent with the purposes of this section;

''(2) consistent with the economic conditions and resources available to each tribe; and

''(3) similar to comparable provisions in section 407(d).

''(d) EMERGENCY ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

''(e) ACCOUNTABILITY.—Nothing in this section shall be construed to limit the ability of the Secretary to maintain program funding accountability consistent with—

''(1) generally accepted accounting principles; and

''(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

''(f) PENALTIES.—Subsections (a)(4), (b), and (e) of section 409 shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such subsections apply to a State.

''(g) DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

''(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

''(1) IN GENERAL.—Notwithstanding any other provision of this section, and except as provided in paragraph (2), an Indian tribe in the State of Alaska that receives a tribal family assistance grant under this section shall use the grant to operate a program in accordance with requirements comparable to the requirements applicable to the program of the State of Alaska funded under this part. Comparability of programs shall be established on the basis of program criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

''(2) WAIVER.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirement of paragraph (1).

**''SEC. 413. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.**

''(a) RESEARCH.—The Secretary shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section 409.

''(b) DEVELOPMENT AND EVALUATION OF INNOVATIVE APPROACHES TO REDUCING WELFARE DEPENDENCY AND INCREASING CHILD WELL-BEING.—

''(1) IN GENERAL.—The Secretary may assist States in developing, and shall evaluate, innovative approaches for reducing welfare dependency and increasing the well-being of minor children living at home with respect to recipients of assistance under programs funded under this part. The Secretary may provide funds for training and technical assistance to carry out the approaches developed pursuant to this paragraph.

''(2) EVALUATIONS.—In performing the evaluations under paragraph (1), the Secretary shall, to the maximum extent feasible, use

random assignment as an evaluation methodology.

''(c) DISSEMINATION OF INFORMATION.—The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the sharing of information and best practices among States and localities through the use of computers and other technologies.

''(d) ANNUAL RANKING OF STATES AND REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—

''(1) ANNUAL RANKING OF STATES.—The Secretary shall rank annually the States to which grants are paid under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part into long-term private sector jobs, reducing the overall welfare caseload, and, when a practicable method for calculating this information becomes available, diverting individuals from formally applying to the State program and receiving assistance. In ranking States under this subsection, the Secretary shall take into account the average number of minor children living at home in families in the State that have incomes below the poverty line and the amount of funding provided each State for such families.

''(2) ANNUAL REVIEW OF MOST AND LEAST SUCCESSFUL WORK PROGRAMS.—The Secretary shall review the programs of the 3 States most recently ranked highest under paragraph (1) and the 3 States most recently ranked lowest under paragraph (1) that provide parents with work experience, assistance in finding employment, and other work preparation activities and support services to enable the families of such parents to leave the program and become self-sufficient.

''(e) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—

''(1) ANNUAL RANKING OF STATES.—

''(A) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

''(i) ABSOLUTE OUT-OF-WEDLOCK RATIOS.—The ratio represented by—

''(I) the total number of out-of-wedlock births in families receiving assistance under the State program under this part in the State for the most recent fiscal year for which information is available; over

''(II) the total number of births in families receiving assistance under the State program under this part in the State for such year.

''(ii) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A)(i) with respect to a State for the most recent fiscal year for which such information is available and the ratio with respect to the State for the immediately preceding year.

''(2) ANNUAL REVIEW.—The Secretary shall review the programs of the 5 States most recently ranked highest under paragraph (1) and the 5 States most recently ranked the lowest under paragraph (1).

''(f) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to evaluate the State program funded under this part if—

''(1) the State submits a proposal to the Secretary for the evaluation;

''(2) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is credible and will be useful to other States; and

''(3) unless otherwise waived by the Secretary, the State contributes to the cost of the evaluation, from non-Federal sources, an amount equal to at least 10 percent of the cost of the evaluation.

''(g) FUNDING OF STUDIES AND DEMONSTRATIONS.—

''(1) IN GENERAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $15,000,000 for each fiscal year specified in section 403(a)(1) for the purpose of paying—

''(A) the cost of conducting the research described in subsection (a);

''(B) the cost of developing and evaluating innovative approaches for reducing welfare dependency and increasing the well-being of minor children under subsection (b);

''(C) the Federal share of any State-initiated study approved under subsection (f); and

''(D) an amount determined by the Secretary to be necessary to operate and evaluate demonstration projects, relating to this part, that are in effect or approved under section 1115 as of September 30, 1995, and are continued after such date.

''(2) ALLOCATION.—Of the amount appropriated under paragraph (1) for a fiscal year—

''(A) 50 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of paragraph (1), and

''(B) 50 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

**''SEC. 414. STUDY BY THE CENSUS BUREAU.**

''(a) IN GENERAL.—The Bureau of the Census shall expand the Survey of Income and Program Participation as necessary to obtain such information as will enable interested persons to evaluate the impact of the amendments made by title I of the Bipartisan Welfare Reform Act of 1996 on a random national sample of recipients of assistance under State programs funded under this part and (as appropriate) other low income families, and in doing so, shall pay particular attention to the issues of out-of-wedlock birth, welfare dependency, the beginning and end of welfare spells, and the causes of repeat welfare spells.

''(b) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated $10,000,000 for each of fiscal years 1996, 1997, 1998, 1999, 2000, 2001, and 2002 for payment to the Bureau of the Census to carry out subsection (a).

**''SEC. 415. WAIVERS.**

''(a) CONTINUATION OF WAIVERS.—

''(1) WAIVERS IN EFFECT ON DATE OF ENACTMENT OF WELFARE REFORM.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is in effect as of the date of the enactment of the Bipartisan Welfare Reform Act of 1996, the amendments made by such Act shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

''(2) WAIVERS GRANTED SUBSEQUENTLY.—Except as provided in paragraph (3), if any waiver granted to a State under section 1115 or otherwise which relates to the provision of assistance under a State plan under this part (as in effect on September 30, 1995) is submitted to the Secretary before the date of the enactment of the Bipartisan Welfare Reform Act of 1996 and approved by the Secretary before the effective date of this title, and the State demonstrates to the satisfaction of the Secretary that the waiver will not result in Federal expenditures under title IV of this Act (as in effect without regard to the amendments made by the Bipartisan Welfare Reform Act of 1996) that are greater than would occur in the absence of the waiver, such amendments shall not apply with respect to the State before the expiration (determined without regard to any extensions) of the waiver to the extent such amendments are inconsistent with the waiver.

''(3) FINANCING LIMITATION.—Notwithstanding any other provision of law, beginning with fiscal year 1996, a State operating under a waiver described in paragraph (1) shall be entitled to payment under section 403 for the fiscal year, in lieu of any other payment provided for in the waiver.

''(b) STATE OPTION TO TERMINATE WAIVER.—

''(1) IN GENERAL.—A State may terminate a waiver described in subsection (a) before the expiration of the waiver.

''(2) REPORT.—A State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and any available information concerning the result or effect of the waiver.

''(3) HOLD HARMLESS PROVISION.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, a State that, not later than the date described in subparagraph (B), submits a written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality liabilities incurred under the waiver.

''(B) DATE DESCRIBED.—The date described in this subparagraph is the later of—

''(i) January 1, 1996; or

''(ii) 90 days following the adjournment of the first regular session of the State legislature that begins after the date of the enactment of the Bipartisan Welfare Reform Act of 1996.

''(c) SECRETARIAL ENCOURAGEMENT OF CURRENT WAIVERS.—The Secretary shall encourage any State operating a waiver described in subsection (a) to continue the waiver and to evaluate, using random sampling and other characteristics of accepted scientific evaluations, the result or effect of the waiver.

''(d) CONTINUATION OF INDIVIDUAL WAIVERS.—A State may elect to continue 1 or more individual waivers described in subsection (a).

**''SEC. 416. ASSISTANT SECRETARY FOR FAMILY SUPPORT.**

''The programs under this part and part D shall be administered by an Assistant Secretary for Family Support within the Department of Health and Human Services, who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall be in addition to any other Assistant Secretary of Health and Human Services provided for by law.

**''SEC. 417. DEFINITIONS.**

''As used in this part:

''(1) ADULT.—The term 'adult' means an individual who is not a minor child.

''(2) MINOR CHILD.—The term 'minor child' means an individual who—

''(A) has not attained 18 years of age; or

''(B) has not attained 19 years of age and is a full-time student in a secondary school (or in the equivalent level of vocational or technical training).

''(3) FISCAL YEAR.—The term 'fiscal year' means any 12-month period ending on September 30 of a calendar year.

''(4) INDIAN, INDIAN TRIBE, AND TRIBAL ORGANIZATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the terms 'Indian', 'Indian tribe', and 'tribal organization' have the meaning given such terms by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—The term 'Indian tribe' means,

with respect to the State of Alaska, only the Metlakatla Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

''(i) Arctic Slope Native Association.

''(ii) Kawerak, Inc.

''(iii) Maniilaq Association.

''(iv) Association of Village Council Presidents.

''(v) Tanana Chiefs Conference.

''(vi) Cook Inlet Tribal Council.

''(vii) Bristol Bay Native Association.

''(viii) Aleutian and Pribilof Island Association.

''(ix) Chugachmuit.

''(x) Tlingit Haida Central Council.

''(xi) Kodiak Area Native Association.

''(xii) Copper River Native Association.

''(5) STATE.—Except as otherwise specifically provided, the term 'State' means the 50 States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.''.

**SEC. 104. SERVICES PROVIDED BY CHARITABLE, RELIGIOUS, OR PRIVATE ORGANIZATIONS.**

(a) IN GENERAL.—

(1) STATE OPTIONS.—A State may—

(A) administer and provide services under the programs described in subparagraphs (A) and (B)(i) of paragraph (2) through contracts with charitable, religious, or private organizations; and

(B) provide beneficiaries of assistance under the programs described in subparagraphs (A) and (B)(ii) of paragraph (2) with certificates, vouchers, or other forms of disbursement which are redeemable with such organizations.

(2) PROGRAMS DESCRIBED.—The programs described in this paragraph are the following programs:

(A) A State program funded under part A of title IV of the Social Security Act (as amended by section 103 of this Act).

(B) Any other program established or modified under title I, II, or VI of this Act, that—

(i) permits contracts with organizations; or

(ii) permits certificates, vouchers, or other forms of disbursement to be provided to beneficiaries, as a means of providing assistance.

(b) RELIGIOUS ORGANIZATIONS.—The purpose of this section is to allow States to contract with religious organizations, or to allow religious organizations to accept certificates, vouchers, or other forms of disbursement under any program described in subsection (a)(2), on the same basis as any other nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(c) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—In the event a State exercises its authority under subsection (a), religious organizations are eligible, on the same basis as any other private organization, as contractors to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, under any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution. Except as provided in subsection (k), neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which is or applies to be a contractor to provide assistance, or which accepts certificates, vouchers, or other forms of disbursement, on the basis that the organization has a religious character.

(d) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—A religious organization with a contract described in subsection (a)(1)(A), or which accepts certificates, vouchers, or other forms of disbursement under subsection (a)(1)(B), shall retain its independence from Federal, State, and local governments, including such organization's control over the definition, development, practice, and expression of its religious beliefs.

(2) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State shall require a religious organization to—

(A) alter its form of internal governance; or

(B) remove religious art, icons, scripture, or other symbols;

in order to be eligible to contract to provide assistance, or to accept certificates, vouchers, or other forms of disbursement, funded under a program described in subsection (a)(2).

(e) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—

(1) IN GENERAL.—If an individual described in paragraph (2) has an objection to the religious character of the organization or institution from which the individual receives, or would receive, assistance funded under any program described in subsection (a)(2), the State in which the individual resides shall provide such individual (if otherwise eligible for such assistance) within a reasonable period of time after the date of such objection with assistance from an alternative provider that is accessible to the individual and the value of which is not less than the value of the assistance which the individual would have received from such organization.

(2) INDIVIDUAL DESCRIBED.—An individual described in this paragraph is an individual who receives, applies for, or requests to apply for, assistance under a program described in subsection (a)(2).

(f) EMPLOYMENT PRACTICES.—A religious organization's exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e–1a) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance funded under any program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(h) FISCAL ACCOUNTABILITY.—

(1) IN GENERAL.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under any program described in subsection (a)(2) shall be subject to the same regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such programs.

(2) LIMITED AUDIT.—If such organization segregates Federal funds provided under such programs into separate accounts, then only the financial assistance provided with such funds shall be subject to audit.

(i) COMPLIANCE.—Any party which seeks to enforce its rights under this section may assert a civil action for injunctive relief exclusively in an appropriate State court against the entity or agency that allegedly commits such violation.

(j) LIMITATIONS ON USE OF FUNDS FOR CERTAIN PURPOSES.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian worship, instruction, or proselytization.

(k) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that prohibits or restricts the expenditure of State funds in or by religious organizations.

**SEC. 105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN.**

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, the Secretary of Commerce, in carrying out section 141 of title 13, United States Code, shall expand the data collection efforts of the Bureau of the Census (in this section referred to as the ''Bureau'') to enable the Bureau to collect statistically significant data, in connection with its decennial census and its mid-decade census, concerning the growing trend of grandparents who are the primary caregivers for their grandchildren.

(b) EXPANDED CENSUS QUESTION.—In carrying out subsection (a), the Secretary of Commerce shall expand the Bureau's census question that details households which include both grandparents and their grandchildren. The expanded question shall be formulated to distinguish between the following households:

(1) A household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental distress.

(2) A household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

**SEC. 106. REPORT ON DATA PROCESSING.**

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

(1) the status of the automated data processing systems operated by the States to assist management in the administration of State programs under part A of title IV of the Social Security Act (whether in effect before or after October 1, 1995); and

(2) what would be required to establish a system capable of—

(A) tracking participants in public programs over time; and

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

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

(1) a plan for building on the automated data processing systems of the States to establish a system with the capabilities described in subsection (a)(2); and

(2) an estimate of the amount of time required to establish such a system and of the cost of establishing such a system.

**SEC. 107. STUDY ON ALTERNATIVE OUTCOMES MEASURES.**

(a) STUDY.—The Secretary shall, in cooperation with the States, study and analyze outcomes measures for evaluating the success of the States in moving individuals out of the welfare system through employment as an alternative to the minimum participation rates described in section 407 of the Social Security Act. The study shall include a determination as to whether such alternative outcomes measures should be applied on a national or a State-by-State basis and a preliminary assessment of the effects of section 409(a)(5)(C) of such Act.

(b) REPORT.—Not later than September 30, 1998, the Secretary shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a report containing the findings of the study required by subsection (a).

**SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.**

(a) AMENDMENTS TO TITLE II.—

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

(A) by inserting ''an agency administering a program funded under part A of title IV or'' before ''an agency operating''; and

(B) by striking ''A or D of title IV of this Act'' and inserting ''D of such title''.

(2) Section 228(d)(1) (42 U.S.C. 428(d)(1)) is amended by inserting ''under a State program funded under'' before ''part A of title IV''.

(b) AMENDMENT TO PART B OF TITLE IV.—Section 422(b)(2) (42 U.S.C. 622(b)(2)) is amended by striking ''under the State plan approved'' and inserting ''under the State program funded.''.

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) Section 451 (42 U.S.C. 651) is amended by striking ''aid'' and inserting ''assistance under a State program funded''.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A'';

(B) by striking ''such aid'' and inserting ''such assistance''; and

(C) by striking ''under section 402(a)(26) or'' and inserting ''pursuant to section 408(a)(4) or under section''.

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

(A) by striking ''aid under a State plan approved'' and inserting ''assistance under a State program funded''; and

(B) by striking ''in accordance with the standards referred to in section 402(a)(26)(B)(ii)'' and inserting ''by the State''.

(4) Section 452(b) (42 U.S.C. 652(b)) is amended in the first sentence by striking ''aid under the State plan approved under part A'' and inserting ''assistance under the State program funded under part A''.

(5) Section 452(d)(3)(B)(i) (42 U.S.C. 652(d)(3)(B)(i)) is amended by striking ''1115(c)'' and inserting ''1115(b)''.

(6) Section 452(g)(2)(A)(ii)(I) (42 U.S.C. 652(g)(2)(A)(ii)(I)) is amended by striking ''aid is being paid under the State's plan approved under part A or E'' and inserting ''assistance is being provided under the State program funded under part A''.

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (iii) by striking ''aid was being paid under the State's plan approved under part A or E'' and inserting ''assistance was being provided under the State program funded under part A''.

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) by striking ''who is a dependent child'' and inserting ''with respect to whom assistance is being provided under the State program funded under part A'';

(B) by inserting ''by the State agency administering the State plan approved under this part'' after ''found''; and

(C) by striking ''under section 402(a)(26)'' and inserting ''with the State in establishing paternity''.

(9) Section 452(h) (42 U.S.C. 652(h)) is amended by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 408(a)(4)''.

(10) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking ''aid under part A of this title'' and inserting ''assistance under a State program funded under part A''.

(11) Section 454(5)(A) (42 U.S.C. 654(5)(A)) is amended—

(A) by striking ''under section 402(a)(26)'' and inserting ''pursuant to section 408(a)(4)''; and

(B) by striking ''; except that this paragraph shall not apply to such payments for any month following the first month in which the amount collected is sufficient to make such family ineligible for assistance under the State plan approved under part A;'' and inserting a comma.

(12) Section 454(6)(D) (42 U.S.C. 654(6)(D)) is amended by striking ''aid under a State plan approved'' and inserting ''assistance under a State program funded''.

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking ''under section 402(a)(26)''.

(14) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''402(a)(26)'' and inserting ''408(a)(4)''.

(15) Section 466(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking ''aid'' and inserting ''assistance under a State program funded''.

(16) Section 469(a) (42 U.S.C. 669(a)) is amended—

(A) by striking ''aid under plans approved'' and inserting ''assistance under State programs funded''; and

(B) by striking ''such aid'' and inserting ''such assistance''.

(d) AMENDMENTS TO PART E OF TITLE IV.—

(1) Section 470 (42 U.S.C. 670) is amended—

(A) by striking ''would be'' and inserting ''would have been''; and

(B) by inserting ''(as such plan was in effect on March 1, 1996)'' after ''part A''.

(2) Section 471(17) (42 U.S.C. 671(17)) is amended by striking ''plans approved under parts A and D'' and inserting ''program funded under part A and plan approved under part D''.

(3) Section 472(a) (42 U.S.C. 672(a)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking ''would meet'' and inserting ''would have met'';

(ii) by inserting ''(as such sections were in effect on June 1, 1995)'' after ''407''; and

(iii) by inserting ''(as so in effect)'' after ''406(a)''; and

(B) in paragraph (4)—

(i) in subparagraph (A)—

(I) by inserting ''would have'' after ''(A)''; and

(II) by inserting ''(as in effect on June 1, 1995)'' after ''section 402''; and

(ii) in subparagraph (B)(ii), by inserting ''(as in effect on June 1, 1995)'' after ''406(a)''.

(4) Section 472(h) (42 U.S.C. 672(h)) is amended to read as follows:

''(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect). For purposes of title XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

''(2) For purposes of paragraph (1), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section.''.

(5) Section 473(a)(2) (42 U.S.C. 673(a)(2)) is amended—

(A) in subparagraph (A)(i)—

(i) by inserting ''(as such sections were in effect on June 1, 1995)'' after ''407'';

(ii) by inserting ''(as so in effect)'' after ''specified in section 406(a)''; and

(iii) by inserting ''(as such section was in effect on June 1, 1995)'' after ''403'';

(B) in subparagraph (B)(i)—

(i) by inserting ''would have'' after ''(B)(i)''; and

(ii) by inserting ''(as in effect on June 1, 1995)'' after ''section 402''; and

(C) in subparagraph (B)(ii)(II), by inserting ''(as in effect on June 1, 1995)'' after ''406(a)''.

(6) Section 473(b) (42 U.S.C. 673(b)) is amended to read as follows:

''(b)(1) For purposes of title XIX, any child who is described in paragraph (3) shall be deemed to be a dependent child as defined in section 406 (as in effect as of June 1, 1995) and shall be deemed to be a recipient of aid to families with dependent children under part A of this title (as so in effect) in the State where such child resides.

''(2) For purposes of title XX, any child who is described in paragraph (3) shall be deemed to be a minor child in a needy family under a State program funded under part A and shall be deemed to be a recipient of assistance under such part.

''(3) A child described in this paragraph is any child—

''(A)(i) who is a child described in subsection (a)(2), and

''(ii) with respect to whom an adoption assistance agreement is in effect under this section (whether or nor adoption assistance payments are provided under the agreement or are being made under this section), including any such child who has been placed for adoption in accordance with applicable State and local law (whether or not an interlocutory or other judicial decree of adoption has been issued), or

''(B) with respect to whom foster care maintenance payments are being made under section 472.

''(4) For purposes of paragraphs (1) and (2), a child whose costs in a foster family home or child-care institution are covered by the foster care maintenance payments being made with respect to the child's minor parent, as provided in section 475(4)(B), shall be considered a child with respect to whom foster care maintenance payments are being made under section 472.''.

(e) REPEAL OF PART F OF TITLE IV.—Part F of title IV (42 U.S.C. 681–687) is repealed.

(f) AMENDMENT TO TITLE X.—Section 1002(a)(7) (42 U.S.C. 1202(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(g) AMENDMENTS TO TITLE XI.—

(1) Section 1108 (42 U.S.C. 1308) is amended—

(A) by redesignating subsection (c) as subsection (g);

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

**''SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA; LIMITATION ON TOTAL PAYMENTS.**

''(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—Notwithstanding any other provision of this Act, the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and B of title IV, and under subsection (b) of this section, for payment to any territory for a fiscal year shall not exceed the ceiling amount for the territory for the fiscal year.

''(b) ENTITLEMENT TO MATCHING GRANT.—

''(1) IN GENERAL.—Each territory shall be entitled to receive from the Secretary for

each fiscal year a grant in an amount equal to 75 percent of the amount (if any) by which—

''(A) the total expenditures of the territory during the fiscal year under the territory programs funded under parts A and B of title IV; exceeds

''(B) the sum of—

''(i) the total amount required to be paid to the territory (other than with respect to child care) under former section 403 (as in effect on September 30, 1995) for fiscal year 1995, which shall be determined by applying subparagraphs (C) and (D) of section 403(a)(1) to the territory;

''(ii) the total amount required to be paid to the territory under former section 434 (as so in effect) for fiscal year 1995; and

''(iii) the total amount expended by the territory during fiscal year 1995 pursuant to parts A, B, and F of title IV (as so in effect), other than for child care.

''(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

''(c) DEFINITIONS.—As used in this section:

''(1) TERRITORY.—The term 'territory' means Puerto Rico, the Virgin Islands, Guam, and American Samoa.

''(2) CEILING AMOUNT.—The term 'ceiling amount' means, with respect to a territory and a fiscal year, the mandatory ceiling amount with respect to the territory plus the discretionary ceiling amount with respect to the territory, reduced for the fiscal year in accordance with subsection (f).

''(3) MANDATORY CEILING AMOUNT.—The term 'mandatory ceiling amount' means—

''(A) $105,538,000 with respect to Puerto Rico;

''(B) $4,902,000 with respect to Guam;

''(C) $3,742,000 with respect to the Virgin Islands; and

''(D) $1,122,000 with respect to American Samoa.

''(4) DISCRETIONARY CEILING AMOUNT.—The term 'discretionary ceiling amount' means, with respect to a territory and a fiscal year, the total amount appropriated pursuant to subsection (d)(3) for the fiscal year for payment to the territory.

''(5) TOTAL AMOUNT EXPENDED BY THE TERRITORY.—The term 'total amount expended by the territory'—

''(A) does not include expenditures during the fiscal year from amounts made available by the Federal Government; and

''(B) when used with respect to fiscal year 1995, also does not include—

''(i) expenditures during fiscal year 1995 under subsection (g) or (i) of section 402 (as in effect on September 30, 1995); or

''(ii) any expenditures during fiscal year 1995 for which the territory (but for section 1108, as in effect on September 30, 1995) would have received reimbursement from the Federal Government.

''(d) DISCRETIONARY GRANTS.—

''(1) IN GENERAL.—The Secretary shall make a grant to each territory for any fiscal year in the amount appropriated pursuant to paragraph (3) for the fiscal year for payment to the territory.

''(2) USE OF GRANT.—Any territory to which a grant is made under paragraph (1) may expend the amount under any program operated or funded under any provision of law specified in subsection (a).

''(3) LIMITATION ON AUTHORIZATION OF APPROPRIATIONS.—For grants under paragraph (1), there are authorized to be appropriated to the Secretary for each fiscal year—

''(A) $7,951,000 for payment to Puerto Rico;

''(B) $345,000 for payment to Guam;

''(C) $275,000 for payment to the Virgin Islands; and

''(D) $190,000 for payment to American Samoa.

''(e) AUTHORITY TO TRANSFER FUNDS AMONG PROGRAMS.—Notwithstanding any other provision of this Act, any territory to which an amount is paid under any provision of law specified in subsection (a) may use part or all of the amount to carry out any program operated by the territory, or funded, under any other such provision of law.

''(f) MAINTENANCE OF EFFORT.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

''(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

''(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1).''; and

(C) by striking subsections (d) and (e).

(2) Section 1109 (42 U.S.C. 1309) is amended by striking ''or part A of title IV,''.

(3) Section 1115 (42 U.S.C. 1315) is amended—

(A) in subsection (a)(2)—

(i) by inserting ''(A)'' after ''(2)'';

(ii) by striking ''403,'';

(iii) by striking the period at the end and inserting '', and''; and

(iv) by adding at the end the following new subparagraph:

''(B) costs of such project which would not otherwise be a permissible use of funds under part A of title IV and which are not included as part of the costs of projects under section 1110, shall to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part.''; and

(B) in subsection (c)(3), by striking ''under the program of aid to families with dependent children'' and inserting ''part A of such title''.

(4) Section 1116 (42 U.S.C. 1316) is amended—

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

(B) in subsection (a)(3), by striking ''404,''.

(5) Section 1118 (42 U.S.C. 1318) is amended—

(A) by striking ''403(a),'';

(B) by striking ''and part A of title IV,''; and

(C) by striking '', and shall, in the case of American Samoa, mean 75 per centum with respect to part A of title IV''.

(6) Section 1119 (42 U.S.C. 1319) is amended—

(A) by striking ''or part A of title IV''; and

(B) by striking ''403(a),''.

(7) Section 1133(a) (42 U.S.C. 1320b–3(a)) is amended by striking ''or part A of title IV,''.

(8) Section 1136 (42 U.S.C. 1320b–6) is repealed.

(9) Section 1137 (42 U.S.C. 1320b–7) is amended—

(A) in subsection (b), by striking paragraph (1) and inserting the following:

''(1) any State program funded under part A of title IV of this Act;''; and

(B) in subsection (d)(1)(B)—

(i) by striking ''In this subsection—'' and all that follows through ''(ii) in'' and inserting ''In this subsection, in'';

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

(iii) by moving such redesignated material 2 ems to the left.

(h) AMENDMENT TO TITLE XIV.—Section 1402(a)(7) (42 U.S.C. 1352(a)(7)) is amended by striking ''aid to families with dependent children under the State plan approved under section 402 of this Act'' and inserting ''assistance under a State program funded under part A of title IV''.

(i) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1602(a)(11), as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972 (42 U.S.C. 1382 note), is amended by striking ''aid under the State plan approved'' and inserting ''assistance under a State program funded''.

(j) AMENDMENT TO TITLE XVI AS IN EFFECT WITH RESPECT TO THE STATES.—Section 1611(c)(5)(A) (42 U.S.C. 1382(c)(5)(A)) is amended to read as follows: ''(A) a State program funded under part A of title IV,''.

(k) AMENDMENT TO TITLE XIX.—Section 1902(j) (42 U.S.C. 1396a(j)) is amended by striking ''1108(c)'' and inserting ''1108(g)''.

**SEC. 109. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.**

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in the second sentence of subsection (a), by striking ''plan approved'' and all that follows through ''title IV of the Social Security Act'' and inserting ''program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)'';

(2) in subsection (d)—

(A) in paragraph (5), by striking ''assistance to families with dependent children'' and inserting ''assistance under a State program funded''; and

(B) by striking paragraph (13) and redesignating paragraphs (14), (15), and (16) as paragraphs (13), (14), and (15), respectively;

(3) in subsection (j), by striking ''plan approved under part A of title IV of such Act (42 U.S.C. 601 et seq.)'' and inserting ''program funded under part A of title IV of the Act (42 U.S.C. 601 et seq.)''; and

(4) by striking subsection (m).

(b) Section 6 of such Act (7 U.S.C. 2015) is amended—

(1) in subsection (c)(5), by striking ''the State plan approved'' and inserting ''the State program funded''; and

(2) in subsection (e)(6), by striking ''aid to families with dependent children'' and inserting ''benefits under a State program funded''.

(c) Section 16(g)(4) of such Act (7 U.S.C. 2025(g)(4)) is amended by striking ''State plans under the Aid to Families with Dependent Children Program under'' and inserting ''State programs funded under part A of''.

(d) Section 17 of such Act (7 U.S.C. 2026) is amended—

(1) in the first sentence of subsection (b)(1)(A), by striking ''to aid to families with dependent children under part A of title IV of the Social Security Act'' and inserting ''or are receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)''; and

(2) in subsection (b)(3), by adding at the end the following new subparagraph:

''(I) The Secretary may not grant a waiver under this paragraph on or after October 1, 1995. Any reference in this paragraph to a provision of title IV of the Social Security Act shall be deemed to be a reference to such provision as in effect on September 30, 1995.'';

(e) Section 20 of such Act (7 U.S.C. 2029) is amended—

(1) in subsection (a)(2)(B) by striking ''operating—'' and all that follows through ''(ii) any other'' and inserting ''operating any''; and

(2) in subsection (b)—

(A) in paragraph (1)—

(i) by striking ''(b)(1) A household'' and inserting ''(b) A household''; and

(ii) in subparagraph (B), by striking ''training program'' and inserting ''activity'';

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law 93–186; 7 U.S.C. 612c note) is amended by striking ''the program for aid to families with dependent children'' and inserting ''the State program funded''.

(g) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—

(1) in subsection (b)—

(A) in paragraph (2)(C)(ii)(II)—

(i) by striking ''program for aid to families with dependent children'' and inserting ''State program funded''; and

(ii) by inserting before the period at the end the following: ''that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996''; and

(B) in paragraph (6)—

(i) in subparagraph (A)(ii)—

(I) by striking ''an AFDC assistance unit (under the aid to families with dependent children program authorized'' and inserting ''a family (under the State program funded''; and

(II) by striking '', in a State'' and all that follows through ''9902(2)))'' and inserting ''that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996''; and

(ii) in subparagraph (B), by striking ''aid to families with dependent children'' and inserting ''assistance under the State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on March 1, 1996''; and

(2) in subsection (d)(2)(C)—

(A) by striking ''program for aid to families with dependent children'' and inserting ''State program funded''; and

(B) by inserting before the period at the end the following: ''that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''.

(h) Section 17(d)(2)(A)(ii)(II) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(A)(ii)(II)) is amended—

(1) by striking ''program for aid to families with dependent children established'' and inserting ''State program funded''; and

(2) by inserting before the semicolon the following: ''that the Secretary determines complies with standards established by the Secretary that ensure that the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995''.

**SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.**

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 603a; Public Law 94–566; 90 Stat. 2689) is amended to read as follows:

''(b) PROVISION FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices—

''(1) pursuant to the third sentence of section 3(a) of the Act entitled 'An Act to provide for the establishment of a national employment system and for cooperation with the States in the promotion of such system, and for other purposes', approved June 6, 1933 (29 U.S.C. 49b(a)), or

''(2) by a State or local agency charged with the duty of carrying a State plan for child support approved under part D of title IV of the Social Security Act,

shall be considered to constitute expenses incurred in the administration of such State plan.''.

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 602 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Recovery Act of 1983 (42 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 602 note) is repealed.

(f) Section 202(d) of the Social Security Amendments of 1967 (81 Stat. 882; 42 U.S.C. 602 note) is repealed.

(g) Section 903 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 11381 note), relating to demonstration projects to reduce number of AFDC families in welfare hotels, is amended—

(1) in subsection (a), by striking ''aid to families with dependent children under a State plan approved'' and inserting ''assistance under a State program funded''; and

(2) in subsection (c), by striking ''aid to families with dependent children in the State under a State plan approved'' and inserting ''assistance in the State under a State program funded''.

(h) The Higher Education Act of 1965 (20 U.S.C. 1001 et seq.) is amended—

(1) in section 404C(c)(3) (20 U.S.C. 1070a–23(c)(3)), by striking ''(Aid to Families with Dependent Children)''; and

(2) in section 480(b)(2) (20 U.S.C. 1087vv(b)(2)), by striking ''aid to families with dependent children under a State plan approved'' and inserting ''assistance under a State program funded''.

(i) The Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) is amended—

(1) in section 231(d)(3)(A)(ii) (20 U.S.C. 2341(d)(3)(A)(ii)), by striking ''the program for aid to dependent children'' and inserting ''the State program funded''; and

(2) in section 232(b)(2)(B) (20 U.S.C. 2341a(b)(2)(B)), by striking ''the program for aid to families with dependent children'' and inserting ''the State program funded''; and

(3) in section 521(14)(B)(iii) (20 U.S.C. 2471(14)(B)(iii)), by striking ''the program for aid to families with dependent children'' and inserting ''the State program funded''.

(j) The Elementary and Secondary Education Act of 1965 (20 U.S.C. 2701 et seq.) is amended—

(1) in section 1113(a)(5) (20 U.S.C. 6313(a)(5)), by striking ''Aid to Families with Dependent Children Program'' and inserting ''State program funded under part A of title IV of the Social Security Act'';

(2) in section 1124(c)(5) (20 U.S.C. 6333(c)(5)), by striking ''the program of aid to families with dependent children under a State plan approved under'' and inserting ''a State program funded under part A of''; and

(3) in section 5203(b)(2) (20 U.S.C. 7233(b)(2))—

(A) in subparagraph (A)(xi), by striking ''Aid to Families with Dependent Children benefits'' and inserting ''assistance under a State program funded under part A of title IV of the Social Security Act''; and

(B) in subparagraph (B)(viii), by striking ''Aid to Families with Dependent Children'' and inserting ''assistance under the State program funded under part A of title IV of the Social Security Act''.

(k) Chapter VII of title I of Public Law 99–88 (25 U.S.C. 13d–1) is amended to read as follows: ''*Provided further*, That general assistance payments made by the Bureau of Indian Affairs shall be made—

''(1) after April 29, 1985, and before October 1, 1995, on the basis of Aid to Families with Dependent Children (AFDC) standards of need; and

''(2) on and after October 1, 1995, on the basis of standards of need established under the State program funded under part A of title IV of the Social Security Act,

except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payments in such State by the same percentage as the State has reduced the AFDC or State program payment.''.

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 51(d)(9) (26 U.S.C. 51(d)(9)), by striking all that follows ''agency as'' and inserting ''being eligible for financial assistance under part A of title IV of the Social Security Act and as having continually received such financial assistance during the 90-day period which immediately precedes the date on which such individual is hired by the employer.'';

(2) in section 3304(a)(16) (26 U.S.C. 3304(a)(16)), by striking ''eligibility for aid or services,'' and all that follows through ''children approved'' and inserting ''eligibility for assistance, or the amount of such assistance, under a State program funded'';

(3) in section 6103(l)(7)(D)(i) (26 U.S.C. 6103(l)(7)(D)(i)), by striking ''aid to families with dependent children provided under a State plan approved'' and inserting ''a State program funded'';

(4) in section 6103(l)(10) (26 U.S.C. 6103(l)(10))—

(A) by striking ''(c) or (d)'' each place it appears and inserting ''(c), (d), or (e)''; and

(B) by adding at the end of subparagraph (B) the following new sentence: ''Any return information disclosed with respect to section 6402(e) shall only be disclosed to officers and employees of the State agency requesting such information.'';

(5) in section 6103(p)(4) (26 U.S.C. 6103(p)(4)), in the matter preceding subparagraph (A)—

(A) by striking ''(5), (10)'' and inserting ''(5)''; and

(B) by striking ''(9), or (12)'' and inserting ''(9), (10), or (12)'';

(6) in section 6334(a)(11)(A) (26 U.S.C. 6334(a)(11)(A)), by striking ''(relating to aid to families with dependent children)'';

(7) in section 6402 (26 U.S.C. 6402)—

(A) in subsection (a), by striking ''(c) and (d)'' and inserting ''(c), (d), and (e)'';

(B) by redesignating subsections (e) through (i) as subsections (f) through (j), respectively; and

(C) by inserting after subsection (d) the following:

''(e) COLLECTION OF OVERPAYMENTS UNDER TITLE IV–A OF THE SOCIAL SECURITY ACT.—The amount of any overpayment to be refunded to the person making the overpayment shall be reduced (after reductions pursuant to subsections (c) and (d), but before a credit against future liability for an internal revenue tax) in accordance with section 405(e) of the Social Security Act (concerning recovery of overpayments to individuals under State plans approved under part A of title IV of such Act).''; and

(8) in section 7523(b)(3)(C) (26 U.S.C. 7523(b)(3)(C)), by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A of title IV of the Social Security Act''.

(m) Section 3(b) of the Wagner-Peyser Act (29 U.S.C. 49b(b)) is amended by striking ''State plan approved under part A of title IV'' and inserting ''State program funded under part A of title IV''.

(n) The Job Training Partnership Act (29 U.S.C. 1501 et seq.) is amended—

(1) in section 4(29)(A)(i) (29 U.S.C. 1503(29)(A)(i)), by striking ''(42 U.S.C. 601 et seq.)'';

(2) in section 106(b)(6)(C) (29 U.S.C. 1516(b)(6)(C)), by striking ''State aid to families with dependent children records,'' and inserting ''records collected under the State program funded under part A of title IV of the Social Security Act,'';

(3) in section 121(b)(2) (29 U.S.C. 1531(b)(2))—

(A) by striking ''the JOBS program'' and inserting ''the work activities required under title IV of the Social Security Act''; and

(B) by striking the second sentence;

(4) in section 123(c) (29 U.S.C. 1533(c))—

(A) in paragraph (1)(E), by repealing clause (vi); and

(B) in paragraph (2)(D), by repealing clause (v);

(5) in section 203(b)(3) (29 U.S.C. 1603(b)(3)), by striking '', including recipients under the JOBS program'';

(6) in subparagraphs (A) and (B) of section 204(a)(1) (29 U.S.C. 1604(a)(1) (A) and (B)), by striking ''(such as the JOBS program)'' each place it appears;

(7) in section 205(a) (29 U.S.C. 1605(a)), by striking paragraph (4) and inserting the following:

''(4) the portions of title IV of the Social Security Act relating to work activities;'';

(8) in section 253 (29 U.S.C. 1632)—

(A) in subsection (b)(2), by repealing subparagraph (C); and

(B) in paragraphs (1)(B) and (2)(B) of subsection (c), by striking ''the JOBS program or'' each place it appears;

(9) in section 264 (29 U.S.C. 1644)—

(A) in subparagraphs (A) and (B) of subsection (b)(1), by striking ''(such as the JOBS program)'' each place it appears; and

(B) in subparagraphs (A) and (B) of subsection (d)(3), by striking ''and the JOBS program'' each place it appears;

(10) in section 265(b) (29 U.S.C. 1645(b)), by striking paragraph (6) and inserting the following:

''(6) the portion of title IV of the Social Security Act relating to work activities;'';

(11) in the second sentence of section 429(e) (29 U.S.C. 1699(e)), by striking ''and shall be in an amount that does not exceed the maximum amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 602(g)(1)(C))'';

(12) in section 454(c) (29 U.S.C. 1734(c)), by striking ''JOBS and'';

(13) in section 455(b) (29 U.S.C. 1735(b)), by striking ''the JOBS program,'';

(14) in section 501(1) (29 U.S.C. 1791(1)), by striking ''aid to families with dependent children under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)'' and inserting ''assistance under the State program funded under part A of title IV of the Social Security Act'';

(15) in section 506(1)(A) (29 U.S.C. 1791e(1)(A)), by striking ''aid to families with dependent children'' and inserting ''assistance under the State program funded'';

(16) in section 508(a)(2)(A) (29 U.S.C. 1791g(a)(2)(A)), by striking ''aid to families with dependent children'' and inserting ''assistance under the State program funded''; and

(17) in section 701(b)(2)(A) (29 U.S.C. 1792(b)(2)(A))—

(A) in clause (v), by striking the semicolon and inserting ''; and''; and

(B) by striking clause (vi).

(o) Section 3803(c)(2)(C)(iv) of title 31, United States Code, is amended to read as follows:

''(iv) assistance under a State program funded under part A of title IV of the Social Security Act''.

(p) Section 2605(b)(2)(A)(i) of the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8624(b)(2)(A)(i)) is amended to read as follows:

''(i) assistance under the State program funded under part A of title IV of the Social Security Act;''.

(q) Section 303(f)(2) of the Family Support Act of 1988 (42 U.S.C. 602 note) is amended—

(1) by striking ''(A)''; and

(2) by striking subparagraphs (B) and (C).

(r) The Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 900 et seq.) is amended—

(1) in the first section 255(h) (2 U.S.C. 905(h)), by striking ''Aid to families with dependent children (75–0412–0–1–609);'' and inserting ''Block grants to States for temporary assistance for needy families;''; and

(2) in section 256 (2 U.S.C. 906)—

(A) by striking subsection (k); and

(B) by redesignating subsection (l) as subsection (k).

(s) The Immigration and Nationality Act (8 U.S.C. 1101 et seq.) is amended—

(1) in section 210(f) (8 U.S.C. 1160(f)), by striking ''aid under a State plan approved under'' each place it appears and inserting ''assistance under a State program funded under'';

(2) in section 245A(h) (8 U.S.C. 1255a(h))—

(A) in paragraph (1)(A)(i), by striking ''program of aid to families with dependent children'' and inserting ''State program of assistance''; and

(B) in paragraph (2)(B), by striking ''aid to families with dependent children'' and inserting ''assistance under a State program funded under part A of title IV of the Social Security Act''; and

(3) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking ''State plan approved'' and inserting ''State program funded''.

(t) Section 640(a)(4)(B)(i) of the Head Start Act (42 U.S.C. 9835(a)(4)(B)(i)) is amended by striking ''program of aid to families with dependent children under a State plan approved'' and inserting ''State program of assistance funded''.

(u) Section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 92; 25 U.S.C. 639) is repealed.

(v) Subparagraph (E) of section 213(d)(6) of the School-To-Work Opportunities Act of 1994 (20 U.S.C. 6143(d)(6)) is amended to read as follows:

''(E) part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) relating to work activities;''.

(w) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is amended by striking ''section 464 or 1137 of the Social Security Act'' and inserting ''section 404(e), 464, or 1137 of the Social Security Act.''.

**SEC. 111. DEVELOPMENT OF PROTOTYPE OF COUNTERFEIT-RESISTANT SOCIAL SECURITY CARD REQUIRED.**

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Commissioner of Social Security (in this section referred to as the ''Commissioner'') shall, in accordance with this section, develop a prototype of a counterfeit-resistant social security card. Such prototype card shall—

(A) be made of a durable, tamper-resistant material such as plastic or polyester,

(B) employ technologies that provide security features, such as magnetic stripes, holograms, and integrated circuits, and

(C) be developed so as to provide individuals with reliable proof of citizenship or legal resident alien status.

(2) ASSISTANCE BY ATTORNEY GENERAL.—The Attorney General of the United States shall provide such information and assistance as the Commissioner deems necessary to enable the Commissioner to comply with this section.

(b) STUDY AND REPORT.—

(1) IN GENERAL.—The Commissioner shall conduct a study and issue a report to Congress which examines different methods of improving the social security card application process.

(2) ELEMENTS OF STUDY.—The study shall include an evaluation of the cost and work load implications of issuing a counterfeit-resistant social security card for all individuals over a 3-, 5-, and 10-year period. The study shall also evaluate the feasibility and cost implications of imposing a user fee for replacement cards and cards issued to individuals who apply for such a card prior to the scheduled 3-, 5-, and 10-year phase-in options.

(3) DISTRIBUTION OF REPORT.—The Commissioner shall submit copies of the report described in this subsection along with a facsimile of the prototype card as described in subsection (a) to the Committees on Ways and Means and Judiciary of the House of Representatives and the Committees on Finance and Judiciary of the Senate within 1 year after the date of the enactment of this Act.

**SEC. 112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.**

(a) IN GENERAL.—Whenever an organization that accepts Federal funds under this Act or the amendments made by this Act makes any communication that in any way intends to promote public support or opposition to any policy of a Federal, State, or local government through any broadcasting station, newspaper, magazine, outdoor advertising facility, direct mailing, or any other type of general public advertising, such communication shall state the following: ''This was prepared and paid for by an organization that accepts taxpayer dollars.''.

(b) FAILURE TO COMPLY.—If an organization makes any communication described in subsection (a) and fails to provide the statement required by that subsection, such organization shall be ineligible to receive Federal funds under this Act or the amendments made by this Act.

(c) DEFINITION.—For purposes of this section, the term ''organization'' means an organization described in section 501(c) of the Internal Revenue Code of 1986.

(d) EFFECTIVE DATES.—This section shall take effect—

(1) with respect to printed communications 1 year after the date of enactment of this Act; and

(2) with respect to any other communication on the date of enactment of this Act.

**SEC. 113. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.**

Section 505 of the Family Support Act of 1988 (42 U.S.C. 1315 note) is amended—

(1) in the heading, by striking ''**DEMONSTRATION**'';

(2) by striking ''demonstration'' each place such term appears;

(3) in subsection (a), by striking ''in each of fiscal years'' and all that follows through ''10'' and inserting ''shall enter into agreements with'';

(4) in subsection (b)(3), by striking ''aid to families with dependent children under part A of title IV of the Social Security Act'' and

inserting ''assistance under the program funded part A of title IV of the Social Security Act of the State in which the individual resides'';

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking ''aid to families with dependent children under part A of title IV of the Social Security Act'' and inserting ''assistance under a State program funded part A of title IV of the Social Security Act'';

(B) in paragraph (2), by striking ''aid to families with dependent children under title IV of such Act'' and inserting ''assistance under a State program funded part A of title IV of the Social Security Act'';

(6) in subsection (d), by striking ''job opportunities and basic skills training program (as provided for under title IV of the Social Security Act)'' and inserting ''the State program funded under part A of title IV of the Social Security Act''; and

(7) by striking subsections (e) through (g) and inserting the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of conducting projects under this section, there is authorized to be appropriated an amount not to exceed $25,000,000 for any fiscal year.''.

**SEC. 114. SECRETARIAL SUBMISSION OF LEGISLATIVE PROPOSAL FOR TECHNICAL AND CONFORMING AMENDMENTS.**

Not later than 90 days after the date of the enactment of this Act, the Secretary of Health and Human Services and the Commissioner of Social Security, in consultation, as appropriate, with the heads of other Federal agencies, shall submit to the appropriate committees of Congress a legislative proposal proposing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this title.

**SEC. 115. APPLICATION OF CURRENT AFDC STANDARDS UNDER MEDICAID PROGRAM.**

(a) IN GENERAL.—Title XIX is amended—

(1) by redesignating section 1931 as section 1932; and

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

''APPLICATION OF AFDC STANDARDS AND METHODOLOGY

''SEC. 1931. (a)(1) Subject to the succeeding provisions of this section, with respect to a State any reference in this title (or other provision of law in relation to the operation of this title) to a provision of part A of title IV, or a State plan under such part (or a provision of such a plan), including standards and methodologies for determining income and resources under such part or plan, shall be considered a reference to such a provision or plan as in effect as of July 1, 1996, with respect to the State.

''(2) In applying section 1925(a)(1), the reference to 'section 402(a)(8)(B)(ii)(II)' is deemed a reference to a corresponding earning disregard rule (if any) established under a State program funded under part A of title IV (as in effect on and after October 1, 1996).

''(3) The provisions of section 406(h) (as in effect on July 1, 1996) shall apply, in relation to this title, with respect to individuals who receive assistance under a State program funded under part A of title IV (as in effect on and after October 1, 1996) and are eligible for medical assistance under this title or who are described in subsection (b)(1) in the same manner as they apply before such date with respect to individuals who become ineligible for aid to families with dependent children as a result (wholly or partly) of the collection or increased collection of child or spousal support under part D of title IV.

''(4) With respect to the reference in section 1902(a)(5) to a State plan approved under part A of title IV, a State may treat such reference as a reference either to a State program funded under such part (as in effect on and after October 1, 1996) or to the State plan under this title.

''(b)(1) For purposes of this title, subject to paragraph (2), in determining eligibility for medical assistance, an individual shall be deemed to be receiving aid or assistance under a State plan approved under part A of title IV (and shall be treated as meeting the income and resource standards under such part) only if the individual meets—

''(A) the income and resource standards under such plan, and

''(B) the eligibility requirements of such plan under subsections (a) through (c) of section 406 and section 407(a),

as in effect as of July 1, 1996. Subject to paragraph (2)(B), the income and resource methodologies under such plan as of such date shall be used in the determination of whether any individual meets income and resource standards under such plan.

''(2) For purposes of applying this section, a State may—

''(A) lower its income standards applicable with respect to part A of title IV, but not below the income standards applicable under its State plan under such part on May 1, 1988; and

''(B) use income and resource standards or methodologies that are less restrictive than the standards or methodologies used under the State plan under such part as of July 1, 1996.

''(3) For purposes of applying this section, a State may, subject to paragraph (4), treat all individuals (or reasonable categories of individuals) receiving assistance under the State program funded under part A of title IV (as in effect on or after October 1, 1996) as individuals who are receiving aid or assistance under a State plan approved under part A of title IV (and thereby eligible for medical assistance under this title).

''(4) For purposes of section 1925, an individual who is receiving assistance under the State program funded under part A of title IV (as in effect on or after October 1, 1996) and is eligible for medical assistance under this title shall be treated as an individual receiving aid or assistance pursuant to a plan of the State approved under part A of title IV (as in effect as of July 1, 1996) (and thereby eligible for continuation of medical assistance under such section).

''(c) In the case of a waiver of a provision of part A of title IV in effect with respect to a State as of July 1, 1996, if the waiver affects eligibility of individuals for medical assistance under this title, such waiver may (but need not) continue to be applied, at the option of the State, in relation to this title after the date the waiver would otherwise expire. If a State elects not to continue to apply such a waiver, then, after the date of the expiration of the waiver, subsection (a) shall be applied as if any provisions so waived had not been waived.

''(d) Nothing in this section, or part A of title IV, shall be construed as preventing a State from providing for the same application form for assistance under a State program funded under part A of title IV (on or after October 1, 1996) and for medical assistance under this title.

''(e) The provisions of this section shall apply notwithstanding any other provision of this title.''.

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking ''and'' at the end of paragraph (61),

(2) by striking the period at the end of paragraph (62) and inserting ''; and'', and

(3) by inserting after paragraph (62) the following new paragraph:

''(63) provide for administration and determinations of eligibility with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931.''.

(c) ELIMINATION OF REQUIREMENT OF MINIMUM AFDC PAYMENT LEVELS.—(1) Section 1902(c) (42 U.S.C. 1396a(c)) is amended by striking ''if—'' and all that follows and inserting the following: ''if the State requires individuals described in subsection (l)(1) to apply for assistance under the State program funded under part A of title IV as a condition of applying for or receiving medical assistance under this title.''.

(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).

**SEC. 116. EFFECTIVE DATE; TRANSITION RULE.**

(a) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on October 1, 1996.

(b) TRANSITION RULES.—

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If, within 3 months after the date of the enactment of this Act, the Secretary of Health and Human Services receives from a State, a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 103 of this Act), this title and the amendments made by this title (except section 409(a)(5) of the Social Security Act, as added by the amendment made by such section 103) shall also apply with respect to the State during the period that begins on the date the Secretary approves the plan and ends on September 30, 1996, except that the State shall be considered an eligible State for fiscal year 1996 for purposes of part A of title IV of the Social Security Act (as in effect pursuant to the amendment made by such section 103).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—

(i) UNDER AFDC PROGRAM.—If the Secretary receives from a State the plan referred to in subparagraph (A), the total obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State after the date of the enactment of this Act shall not exceed an amount equal to—

(I) the State family assistance grant (as defined in section 403(a)(1)(B) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act)); minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State during the period that begins on October 1, 1995, and ends on the day before the date of the enactment of this Act.

(ii) UNDER TEMPORARY FAMILY ASSISTANCE PROGRAM.—Notwithstanding section 403(a)(1) of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act), the total obligations of the Federal Government to a State under such section 403(a)(1) for fiscal year 1996 after the termination of the State AFDC program shall not exceed an amount equal to—

(I) the amount described in clause (i)(I) of this subparagraph; minus

(II) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures by the State on or after October 1, 1995.

(iii) CHILD CARE OBLIGATIONS EXCLUDED IN DETERMINING FEDERAL AFDC OBLIGATIONS.—As used in this subparagraph, the term ''obligations of the Federal Government to the State under part A of title IV of the Social

Security Act'' does not include any obligation of the Federal Government with respect to child care expenditures by the State.

(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 DEEMED ACCEPTANCE OF GRANT LIMITATIONS AND FORMULA.—The submission of a plan by a State pursuant to subparagraph (A) is deemed to constitute the State's acceptance of the grant reductions under subparagraph (B)(ii) (including the formula for computing the amount of the reduction).

(D) DEFINITIONS.—As used in this paragraph:

(i) STATE AFDC PROGRAM.—The term ''State AFDC program'' means the State program under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995).

(ii) STATE.—The term ''State'' means the 50 States and the District of Columbia.

(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this title shall not apply with respect to—

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

(B) administrative actions and proceedings commenced before such date, or authorized before such date to be commenced, under such provisions.

(3) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS TITLE.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling techniques. Claims made with respect to State expenditures under a State plan approved under part A of title IV of the Social Security Act (as in effect before the effective date of this Act) with respect to assistance or services provided on or before September 30, 1995, shall be treated as claims with respect to expenditures during fiscal year 1995 for purposes of reimbursement even if payment was made by a State on or after October 1, 1995. Each State shall complete the filing of all claims under the State plan (as so in effect) no later than September 30, 1997. The head of each Federal department shall—

(A) use the single audit procedure to review and resolve any claims in connection with the close out of programs under such State plans; and

(B) reimburse States for any payments made for assistance or services provided during a prior fiscal year from funds for fiscal year 1995, rather than from funds authorized by this title.

(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this title, is serving as Assistant Secretary for Family Support within the Department of Health and Human Services shall, until a successor is appointed to such position—

(A) continue to serve in such position; and

(B) except as otherwise provided by law—

(i) continue to perform the functions of the Assistant Secretary for Family Support under section 417 of the Social Security Act (as in effect before such effective date); and

(ii) have the powers and duties of the Assistant Secretary for Family Support under section 416 of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act).

## TITLE II—SUPPLEMENTAL SECURITY INCOME

### SEC. 200. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

## Subtitle A—Eligibility Restrictions

### SEC. 201. DENIAL OF SSI BENEFITS FOR 10 YEARS TO INDIVIDUALS FOUND TO HAVE FRAUDULENTLY MISREPRESENTED RESIDENCE IN ORDER TO OBTAIN BENEFITS SIMULTANEOUSLY IN 2 OR MORE STATES.

(a) IN GENERAL.—Section 1614(a) (42 U.S.C. 1382c(a)) is amended by adding at the end the following new paragraph:

''(5) An individual shall not be considered an eligible individual for the purposes of this title during the 10-year period that begins on the date the individual is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under title IV, title XIX, or the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under this title.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall take effect on the date of the enactment of this Act.

### SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 1611(e) (42 U.S.C. 1382(e)) is amended by inserting after paragraph (3) the following new paragraph:

''(4) A person shall not be considered an eligible individual or eligible spouse for purposes of this title with respect to any month if during such month the person is—

''(A) fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the person flees, for a crime, or an attempt to commit a crime, which is a felony under the laws of the place from which the person flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(B) violating a condition of probation or parole imposed under Federal or State law.''.

(b) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—Section 1611(e) (42 U.S.C. 1382(e)), as amended by subsection (a), is amended by inserting after paragraph (4) the following new paragraph:

''(5) Notwithstanding any other provision of law, the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of benefits under this title, if the officer furnishes the Commissioner with the name of the recipient and notifies the Commissioner that—

''(A) the recipient—

''(i) is described in subparagraph (A) or (B) of paragraph (4); or

''(ii) has information that is necessary for the officer to conduct the officer's official duties; and

''(B) the location or apprehension of the recipient is within the officer's official duties.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act.

### SEC. 203. VERIFICATION OF ELIGIBILITY FOR CERTAIN SSI DISABILITY BENEFITS.

Section 1631 (42 U.S.C. 1383) is amended by adding at the end the following new subsection:

''(o)(1) Notwithstanding any other provision of law, if the Commissioner of Social Security determines that an individual, who is 18 years of age or older, is eligible to receive benefits pursuant to section 1614(a)(3), the Commissioner shall, at the time of the determination, either exempt the individual from an eligibility review or establish a schedule for reviewing the individual's continuing eligibility in accordance with paragraph (2).

''(2)(A) The Commissioner shall establish a periodic review with respect to the continuing eligibility of an individual to receive benefits, unless the individual is exempt from review under subparagraph (C) or is subject to a scheduled review under subparagraph (B). A periodic review under this subparagraph shall be initiated by the Commissioner not later than 30 months after the date a determination is made that the individual is eligible for benefits and every 30 months thereafter, unless a waiver is granted under section 221(i)(2). However, the Commissioner shall not postpone the initiation of a periodic review for more than 12 months in any case in which such waiver has been granted unless exigent circumstances require such postponement.

''(B)(i) In the case of an individual, other than an individual who is exempt from review under subparagraph (C) or with respect to whom subparagraph (A) applies, the Commissioner shall schedule a review regarding the individual's continuing eligibility to receive benefits at any time the Commissioner determines, based on the evidence available, that there is a significant possibility that the individual may cease to be entitled to such benefits.

''(ii) The Commissioner may establish classifications of individuals for whom a review of continuing eligibility is scheduled based on the impairments that are the basis for such individuals' eligibility for benefits. A review of an individual covered by a classification shall be scheduled in accordance with the applicable classification, unless the Commissioner determines that applying such schedule is inconsistent with the purpose of this Act or the integrity of the supplemental security income program.

''(C)(i) The Commissioner may exempt an individual from review under this subsection, if the individual's eligibility for benefits is based on a condition that, as a practical matter, has no substantial likelihood of improving to a point where the individual will be able to perform substantial gainful activity.

''(ii) The Commissioner may establish classifications of individuals who are exempt from review under this subsection based on the impairments that are the basis for such individuals' eligibility for benefits. Notwithstanding any such classification, the Commissioner may, at the time of determining an individual's eligibility, schedule a review of such individual's continuing eligibility if the Commissioner determines that a review is necessary to preserve the integrity of the supplemental security income program.

''(3) The Commissioner may revise a determination made under paragraph (1) and schedule a review under paragraph (2)(B), if the Commissioner obtains credible evidence that an individual may no longer be eligible for benefits or the Commissioner determines that a review is necessary to maintain the integrity of the supplemental security income program. Information obtained under section 1137 may be used as the basis to schedule a review.

''(4)(A) The requirements of sections 1614(a)(4) and 1633 shall apply to reviews conducted under this subsection.

''(B) Such reviews may be conducted by the applicable State agency or the Commissioner, whichever is appropriate.

''(5) Not later than 3 months after the date of the enactment of this subsection, the Commissioner shall establish a schedule for reviewing the continuing eligibility of each individual who is receiving benefits pursuant

to section 1614(a)(3) on such date of enactment and who has attained 18 years of age, unless such individual is exempt under paragraph (2)(C). Such review shall be scheduled under the procedures prescribed by or under paragraph (2), except that the reviews shall be scheduled so that the eligibility of ⅓ of all such nonexempt individuals is reviewed within 1 year after such date of enactment, the eligibility of ⅓ of such nonexempt individuals is reviewed within 1 year after such date of enactment, and all remaining nonexempt individuals who continue receiving benefits shall have their eligibility reviewed within 3 years after such date of enactment. Each individual determined eligible to continue receiving benefits in a review scheduled under this paragraph shall, at the time of the determination, be subject to paragraph (2).''.

**SEC. 204. TREATMENT OF PRISONERS.**

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)) is amended by adding at the end the following new subparagraph:

''(I)(i) The Commissioner shall enter into a contract, with any interested State or local institution referred to in subparagraph (A), under which—

''(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

''(II) the Commissioner shall pay to any such institution, with respect to each inmate of the institution who is eligible for a benefit under this title for the month preceding the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes eligible only for a benefit payable at a reduced rate) as a result of the application of this paragraph, an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after such individual becomes an inmate of such institution, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

''(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.''.

(2) CONFORMING OASDI AMENDMENTS.—Section 202(x)(3) (42 U.S.C. 402(x)(3)) is amended—

(A) by inserting ''(A)'' after ''(3)''; and

(B) by adding at the end the following new subparagraph:

''(B)(i) The Commissioner shall enter into a contract, with any interested State or local institution described in clause (i) or (ii) of paragraph (1)(A) the primary purpose of which is to confine individuals as described in paragraph (1)(A), under which—

''(I) the institution shall provide to the Commissioner, on a monthly basis, the names, social security account numbers, dates of birth, and such other identifying information concerning the individuals confined in the institution as the Commissioner may require for the purpose of carrying out paragraph (1); and

''(II) the Commissioner shall pay to any such institution, with respect to each individual who is entitled to a benefit under this title for the month preceding the first month throughout which such individual is confined in such institution as described in paragraph (1)(A), an amount not to exceed $400 if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after the date such individual's confinement in such institution begins, or an amount not to exceed $200 if the institution furnishes such information after 30 days after such date but within 90 days after such date.

''(ii) The provisions of section 552a of title 5, United States Code, shall not apply to any contract entered into under clause (i) or to information exchanged pursuant to such contract.''.

(b) DENIAL OF SSI BENEFITS FOR 10 YEARS TO A PERSON FOUND TO HAVE FRAUDULENTLY OBTAINED SSI BENEFITS WHILE IN PRISON.—

(1) IN GENERAL.—Section 1611(e)(1) (42 U.S.C. 1382(e)(1)), as amended by subsection (a)(1), is amended by adding at the end the following new subparagraph:

''(J) In any case in which the Commissioner of Social Security finds that a person has made a fraudulent statement or representation in order to obtain or to continue to receive benefits under this title while being an inmate in a penal institution, such person shall not be considered an eligible individual or eligible spouse for any month ending during the 10-year period beginning on the date on which such person ceases being such an inmate.''.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply with respect to statements or representations made on or after the date of the enactment of this Act.

(c) ELIMINATION OF OASDI REQUIREMENT THAT CONFINEMENT STEM FROM CRIME PUNISHABLE BY IMPRISONMENT FOR MORE THAN 1 YEAR.—

(1) IN GENERAL.—Section 202(x)(1)(A) (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in the matter preceding clause (i), by striking ''during'' and inserting ''throughout'';

(B) in clause (i), by striking ''pursuant'' and all that follows through ''imposed''; and

(C) in clause (ii)(I), by striking ''an offense punishable by imprisonment for more than 1 year'' and inserting ''a criminal offense''.

(2) EFFECTIVE DATE.—The amendments made by this subsection shall be effective with respect to benefits payable for months beginning more than 180 days after the date of the enactment of this Act.

(d) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out sections 202(x) and 1611(e)(1) of the Social Security Act; and

(B) requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner under section 202(x)(3)(B) or 1611(e)(1)(I) of the Social Security Act furnish the information required by such contracts to the Commissioner by means of an electronic or other sophisticated data exchange system.

(2) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall submit a report on the results of the study conducted pursuant to this subsection to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.

**SEC. 205. EFFECTIVE DATE OF APPLICATION FOR BENEFITS.**

(a) IN GENERAL.—Subparagraphs (A) and (B) of section 1611(c)(7) (42 U.S.C. 1382(c)(7)) are amended to read as follows:

''(A) the first day of the month following the date such application is filed, or

''(B) the first day of the month following the date such individual becomes eligible for such benefits with respect to such application.''.

(b) SPECIAL RULE RELATING TO EMERGENCY ADVANCE PAYMENTS.—Section 1631(a)(4)(A) (42 U.S.C. 1383(a)(4)(A)) is amended—

(1) by inserting ''for the month following the date the application is filed'' after ''is presumptively eligible for such benefits''; and

(2) by inserting '', which shall be repaid through proportionate reductions in such benefits over a period of not more than 6 months'' before the semicolon.

(c) CONFORMING AMENDMENTS.—

(1) Section 1614(b) (42 U.S.C. 1382c(b)) is amended by striking ''at the time the application or request is filed'' and inserting ''on the first day of the month following the date the application or request is filed''.

(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended by inserting ''following the month'' after ''beginning with the month''.

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall apply to applications for benefits under title XVI of the Social Security Act filed on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

**SEC. 206. INSTALLMENT PAYMENT OF LARGE PAST-DUE SUPPLEMENTAL SECURITY INCOME BENEFITS.**

(a) IN GENERAL.—Section 1631(a) (42 U.S.C. 1383) is amended by adding at the end the following new paragraph:

''(10)(A) If an individual is eligible for past-due monthly benefits under this title in an amount that (after any withholding for reimbursement to a State for interim assistance under subsection (g)) equals or exceeds the product of—

''(i) 12, and

''(ii) the maximum monthly benefit payable under this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse),

then the payment of such past-due benefits (after any such reimbursement to a State) shall be made in installments as provided in subparagraph (B).

''(B)(i) The payment of past-due benefits subject to this subparagraph shall be made in not to exceed 3 installments that are made at 6-month intervals.

''(ii) Except as provided in clause (iii), the amount of each of the first and second installments may not exceed an amount equal to the product of clauses (i) and (ii) of subparagraph (A).

''(iii) In the case of an individual who has—

''(I) outstanding debt attributable to—

''(aa) food,

''(bb) clothing,

''(cc) shelter, or

''(dd) medically necessary services, supplies or equipment, or medicine; or

''(II) current expenses or expenses anticipated in the near term attributable to—

''(aa) medically necessary services, supplies or equipment, or medicine, or

''(bb) the purchase of a home, and

such debt or expenses are not subject to reimbursement by a public assistance program, the Secretary under title XVIII, a State plan approved under title XV or XIX, or any private entity legally liable to provide payment pursuant to an insurance policy, pre-paid plan, or other arrangement, the limitation specified in clause (ii) may be exceeded by an amount equal to the total of such debt and expenses.

''(C) This paragraph shall not apply to any individual who, at the time of the Commissioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

''(i) is afflicted with a medically determinable impairment that is expected to result in death within 12 months; or

''(ii) is ineligible for benefits under this title and the Commissioner determines that such individual is likely to remain ineligible for the next 12 months.

''(D) For purposes of this paragraph, the term 'benefits under this title' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.''.

(b) CONFORMING AMENDMENT.—Section 1631(a)(1) (42 U.S.C. 1383(a)(1)) is amended by inserting ''(subject to paragraph (10))'' immediately before ''in such installments''.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section are effective with respect to past-due benefits payable under title XVI of the Social Security Act after the third month following the month in which this Act is enacted.

(2) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this subsection, the term ''benefits payable under title XVI of the Social Security Act'' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act, and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.

**SEC. 207. RECOVERY OF SUPPLEMENTAL SECURITY INCOME OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.**

(a) IN GENERAL.—Part A of title XI is amended by adding at the end the following new section:

''RECOVERY OF SSI OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS

''SEC. 1146. (a) IN GENERAL.—Whenever the Commissioner of Social Security determines that more than the correct amount of any payment has been made to any person under the supplemental security income program authorized by title XVI, and the Commissioner is unable to make proper adjustment or recovery of the amount so incorrectly paid as provided in section 1631(b), the Commissioner (notwithstanding section 207) may recover the amount incorrectly paid by decreasing any amount which is payable under the Federal Old-Age and Survivors Insurance program or the Federal Disability Insurance program authorized by title II to that person or that person's estate.

''(b) NO EFFECT ON SSI BENEFIT ELIGIBILITY OR AMOUNT.—Notwithstanding subsections (a) and (b) of section 1611, in any case in which the Commissioner takes action in accordance with subsection (a) to recover an overpayment from any person, neither that person, nor any individual whose eligibility or benefit amount is determined by considering any part of that person's income, shall, as a result of such action—

''(1) become eligible under the program of supplemental security income benefits under title XVI, or

''(2) if such person or individual is already so eligible, become eligible for increased benefits thereunder.

''(c) PROGRAM UNDER TITLE XVI.—For purposes of this section, the term 'supplemental security income program authorized by title XVI' includes supplementary payments pursuant to an agreement for Federal administration under section 1616(a), and payments pursuant to an agreement entered into under section 212(b) of Public Law 93–66.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 204 (42 U.S.C. 404) is amended by adding at the end the following new subsection:

''(g) For payments which are adjusted or withheld to recover an overpayment of supplemental security income benefits paid under title XVI (including State supplementary payments which were paid under an agreement pursuant to section 1616(a) or section 212(b) of Public Law 93-66), see section 1146.''.

(2) Section 1631(b) is amended by adding at the end the following new paragraph:

''(5) For the recovery of overpayments of benefits under this title from benefits payable under title II, see section 1146.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on the date of the enactment of this Act and shall apply to overpayments outstanding on or after such date.

**Subtitle B—Benefits for Disabled Children**

**SEC. 211. DEFINITION AND ELIGIBILITY RULES.**

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking ''An individual'' and inserting ''Except as provided in subparagraph (C), an individual'';

(2) in subparagraph (A), by striking ''(or, in the case of an individual under the age of 18, if he suffers from any medically determinable physical or mental impairment of comparable severity)'';

(3) by redesignating subparagraphs (C) through (H) as subparagraphs (D) through (I), respectively;

(4) by inserting after subparagraph (B) the following new subparagraph:

''(C) An individual under the age of 18 shall be considered disabled for the purposes of this title if that individual has a medically determinable physical or mental impairment, which results in marked and severe functional limitations, and which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.''; and

(5) in subparagraph (F), as so redesignated by paragraph (3) of this subsection, by striking ''(D)'' and inserting ''(E)''.

(b) CHANGES TO CHILDHOOD SSI REGULATIONS.—

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DISORDERS.—The Commissioner of Social Security shall modify sections 112.00C.2. and 112.02B.2.c.(2) of appendix 1 to subpart P of part 404 of title 20, Code of Federal Regulations, to eliminate references to maladaptive behavior in the domain of personal/behavorial function.

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner of Social Security shall discontinue the individualized functional assessment for children set forth in sections 416.924d and 416.924e of title 20, Code of Federal Regulations.

(c) EFFECTIVE DATE; REGULATIONS; APPLICATION TO CURRENT RECIPIENTS.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to applicants for benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(2) REGULATIONS.—The Commissioner of Social Security shall issue such regulations as the Commissioner determines to be necessary to implement the amendments made by subsections (a) and (b) not later than 60 days after the date of the enactment of this Act.

(3) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 1 year after the date of the enactment of this Act, the Commissioner of Social Security shall redetermine the eligibility of any individual under age 18 who is receiving supplemental security income benefits based on a disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the amendments made by subsection (a) or (b). With respect to any redetermination under this subparagraph—

(i) section 1614(a)(4) of the Social Security Act (42 U.S.C. 1382c(a)(4)) shall not apply;

(ii) the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under title XVI of such Act;

(iii) the Commissioner shall give such redetermination priority over all continuing eligibility reviews and other reviews under such title; and

(iv) such redetermination shall be counted as a review or redetermination otherwise required to be made under section 208 of the Social Security Independence and Program Improvements Act of 1994 or any other provision of title XVI of the Social Security Act.

(B) GRANDFATHER PROVISION.—The amendments made by subsections (a) and (b), and the redetermination under subparagraph (A), shall only apply with respect to the benefits of an individual described in subparagraph (A) for months beginning on or after the date of redetermination with respect to the individual.

(C) NOTICE.—Not later than 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify an individual described in subparagraph (A) of the provisions of this paragraph.

**SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.**

(a) CONTINUING DISABILITY REVIEWS RELATING TO CERTAIN CHILDREN.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act, is amended—

(1) by inserting ''(i)'' after ''(H)''; and

(2) by adding at the end the following new clause:

''(ii)(I) Not less frequently than once every 3 years, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title of each individual who has not attained 18 years of age and is eligible for such benefits by reason of an impairment (or combination of impairments) which may improve (or, which is unlikely to improve, at the option of the Commissioner).

''(II) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.''.

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) IN GENERAL.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act and as amended by subsection (a) of this section, is amended by adding at the end the following new clause:

''(iii) If an individual is eligible for benefits under this title by reason of disability for

the month preceding the month in which the individual attains the age of 18 years, the Commissioner shall redetermine such eligibility—

''(I) during the 1-year period beginning on the individual's 18th birthday; and

''(II) by applying the criteria used in determining the initial eligibility for applicants who have attained the age of 18 years.

With respect to a redetermination under this clause, paragraph (4) shall not apply and such redetermination shall be considered a substitute for a review or redetermination otherwise required under any other provision of this subparagraph during that 1-year period.''.

(2) CONFORMING REPEAL.—Section 207 of the Social Security Independence and Program Improvements Act of 1994 (42 U.S.C. 1382 note; 108 Stat. 1516) is hereby repealed.

(c) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as so redesignated by section 211(a)(3) of this Act and as amended by subsections (a) and (b) of this section, is amended by adding at the end the following new clause:

''(iv)(I) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continuing eligibility for benefits under this title by reason of disability of such individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

''(II) A review under subclause (I) shall be considered a substitute for a review otherwise required under any other provision of this subparagraph during that 12-month period.

''(III) A parent or guardian of a recipient whose case is reviewed under this clause shall present, at the time of review, evidence demonstrating that the recipient is, and has been, receiving treatment, to the extent considered medically necessary and available, of the condition which was the basis for providing benefits under this title.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to benefits for months beginning on or after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

(e) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary of Health and Human Services for the conduct of continuing disability reviews pursuant to the amendments made by this section—

(1) $200,000,000 for fiscal year 1997;

(2) $75,000,000 for fiscal year 1998; and

(3) $25,000,000 for fiscal year 1999.

**SEC. 213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.**

(a) TIGHTENING OF REPRESENTATIVE PAYEE REQUIREMENTS.—

(1) CLARIFICATION OF ROLE.—Section 1631(a)(2)(B)(ii) (42 U.S.C. 1383(a)(2)(B)(ii)) is amended by striking ''and'' at the end of subclause (II), by striking the period at the end of subclause (IV) and inserting ''; and'', and by adding after subclause (IV) the following new subclause:

''(V) advise such person through the notice of award of benefits, and at such other times as the Commissioner of Social Security deems appropriate, of specific examples of appropriate expenditures of benefits under this title and the proper role of a representative payee.''.

(2) DOCUMENTATION OF EXPENDITURES REQUIRED.—

(A) IN GENERAL.—Subparagraph (C)(i) of section 1631(a)(2) (42 U.S.C. 1383(a)(2)) is amended to read as follows:

''(C)(i) In any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—

''(I) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment; and

''(II) implement statistically valid procedures for reviewing a sample of such contemporaneous records in order to identify instances in which such representative payee is not properly using such payment.''.

(B) CONFORMING AMENDMENT WITH RESPECT TO PARENT PAYEES.—Clause (ii) of section 1631(a)(2)(C) (42 U.S.C. 1383(a)(2)(C)) is amended by striking ''Clause (i)'' and inserting ''Subclauses (II) and (III) of clause (i)''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to benefits paid after the date of the enactment of this Act.

(b) DEDICATED SAVINGS ACCOUNTS.—

(1) IN GENERAL.—Section 1631(a)(2)(B) (42 U.S.C. 1383(a)(2)(B)) is amended by adding at the end the following:

''(xiv) Notwithstanding clause (x), the Commissioner of Social Security may, at the request of the representative payee, pay any lump sum payment for the benefit of a child into a dedicated savings account that could only be used to purchase for such child—

''(I) education and job skills training;

''(II) special equipment or housing modifications or both specifically related to, and required by the nature of, the child's disability; and

''(III) appropriate therapy and rehabilitation.''.

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a) (42 U.S.C. 1382b(a)) is amended—

(A) by striking ''and'' at the end of paragraph (10),

(B) by striking the period at the end of paragraph (11) and inserting ''; and'', and

(C) by inserting after paragraph (11) the following:

''(12) all amounts deposited in, or interest credited to, a dedicated savings account described in section 1631(a)(2)(B)(xiv).''.

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.

**SEC. 214. REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.**

(a) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1382(e)(1)(B)) is amended—

(1) by striking ''title XIX, or'' and inserting ''title XIX,''; and

(2) by inserting ''or, in the case of an eligible individual under the age of 18 receiving payments (with respect to such individual) under any health insurance policy issued by a private provider of such insurance'' after ''section 1614(f)(2)(B),''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to benefits for months beginning 90 or more days after the date of the enactment of this Act, without regard to whether regulations have been issued to implement such amendments.

**SEC. 215. MODIFICATION RESPECTING PARENTAL INCOME DEEMED TO DISABLED CHILDREN.**

(a) IN GENERAL.—Section 1614(f)(2) (42 U.S.C. 1382c(f)(2)) is amended—

(1) by adding at the end of subparagraph (A) the following: ''For purposes of the preceding sentence, the income of such parent or spouse of such parent shall be reduced by—

''(A) the allocation for basic needs described in subparagraph (C)(i); and

''(B) the earned income disregard described in subparagraph (C)(ii).''; and

(2) by adding at the end the following:

''(C)(i) The allocation for basic needs described by this clause is—

''(I) in the case of an individual who does not have a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who does not have an eligible spouse; or

''(II) in the case of an individual who has a spouse, an amount equal to 50 percent of the maximum monthly benefit payable under this title to an eligible individual who has an eligible spouse.

''(ii) The earned income disregard described by this clause is an amount determined by deducting the first $780 per year (or proportionally smaller amounts for shorter periods) plus 64 percent of the remainder from the earned income (determined in accordance with section 1612(a)(1)) of the parent (and spouse, if any).''.

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c) is amended by adding at the end the following:

''(f) Any child who has not attained 18 years of age and who would be eligible for a payment under this title but for the amendment made by section 215(a) of the Peronsal Responsibility and Work Opportunity Act of 1996 shall be deemed to be receiving such payment for purposes of eligibility of the child for medical assistance under a State plan approved under title XIX of this Act.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to months after 1996.

**SEC. 216. GRADUATED BENEFITS FOR ADDITIONAL CHILDREN.**

(a) IN GENERAL.—Section 1611(b) (42 U.S.C. 1382(b)) is amended by adding at the end the following:

''(3)(A) The benefit under this title for each eligible blind or disabled individual as determined pursuant to section 1611(a)(1) who—

''(i) is a child under the age of 18,

''(ii) lives in the same household as 1 or more persons who are also eligible blind or disabled children under the age of 18, and

''(iii) does not live in a group or foster home,

shall be equal to the applicable percentage of the amount in section 1611(b)(1), reduced by the amount of any income of such child, including income deemed to such child under section 1614(f)(2).

''(B) For purposes of this paragraph, the applicable percentage shall be determined under the following table:

| ''If the household has: | The applicable percentage for each eligible child is: |
|---|---|
| 1 eligible child | 100 percent |
| 2 eligible children | 81.2 percent |
| 3 eligible children | 71.8 percent |
| 4 eligible children | 65.9 percent |
| 5 eligible children | 61.8 percent |
| 6 eligible children | 58.5 percent |
| 7 eligible children | 55.9 percent |
| 8 eligible children | 53.5 percent |
| 9 eligible children | 51.7 percent |
| 10 eligible children | 50.2 percent |
| 11 eligible children | 48.7 percent |
| 12 eligible children or more. | 47.4 percent.''. |

''(C) For purposes of this paragraph, the applicable household size shall be determined by the number of eligible blind and disabled children under the age of 18 in such household whose countable income and resources do not exceed the limits specified in section 1611(a)(1).''.

(b) PRESERVATION OF MEDICAID ELIGIBILITY.—Section 1634 (42 U.S.C. 1383c), as amended by section 215(b) of this Act, is amended by adding at the end the following:

''(g) Any child who has not attained 18 years of age and would be eligible for a payment under this title but for the limitation

on payment amount imposed by section 1611(b)(3) shall be deemed to be receiving such benefit for purposes of establishing such child's eligibility for medical assistance under a State plan approved under title XIX.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect—

(1) on the date of the enactment of this Act, with respect to payments made on the basis of determinations of eligibility made on or after such date, and

(2) on January 1, 1998, with respect to payments made for months beginning after such date on the basis of determinations of eligibility made before the date of the enactment of this Act.

**Subtitle C—State Supplementation Programs**

**SEC. 221. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO OPTIONAL STATE PROGRAMS FOR SUPPLEMENTATION OF SSI BENEFITS.**

Section 1618 (42 U.S.C. 1382g) is hereby repealed.

**Subtitle D—Studies Regarding Supplemental Security Income Program**

**SEC. 231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.**

Title XVI (42 U.S.C. 1381 et seq.), as amended by section 201(c) of this Act, is amended by adding at the end the following new section:

''ANNUAL REPORT ON PROGRAM

''SEC. 1637. (a) Not later than May 30 of each year, the Commissioner of Social Security shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

''(1) a comprehensive description of the program;

''(2) historical and current data on allowances and denials, including number of applications and allowance rates at initial determinations, reconsiderations, administrative law judge hearings, council of appeals hearings, and Federal court appeal hearings;

''(3) historical and current data on characteristics of recipients and program costs, by recipient group (aged, blind, work disabled adults, and children);

''(4) projections of future number of recipients and program costs, through at least 25 years;

''(5) number of redeterminations and continuing disability reviews, and the outcomes of such redeterminations and reviews;

''(6) data on the utilization of work incentives;

''(7) detailed information on administrative and other program operation costs;

''(8) summaries of relevant research undertaken by the Social Security Administration, or by other researchers;

''(9) State supplementation program operations;

''(10) a historical summary of statutory changes to this title; and

''(11) such other information as the Commissioner deems useful.

''(b) Each member of the Social Security Advisory Board shall be permitted to provide an individual report, or a joint report if agreed, of views of the program under this title, to be included in the annual report under this section.''.

**SEC. 232. STUDY OF DISABILITY DETERMINATION PROCESS.**

(a) IN GENERAL.—Not later than 90 days after the date of the enactment of this Act, and from funds otherwise appropriated, the Commissioner of Social Security shall make arrangements with the National Academy of Sciences, or other independent entity, to conduct a study of the disability determination process under titles II and XVI of the Social Security Act. This study shall be undertaken in consultation with professionals representing appropriate disciplines.

(b) STUDY COMPONENTS.—The study described in subsection (a) shall include—

(1) an initial phase examining the appropriateness of, and making recommendations regarding—

(A) the definitions of disability in effect on the date of the enactment of this Act and the advantages and disadvantages of alternative definitions; and

(B) the operation of the disability determination process, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(2) a second phase, which may be concurrent with the initial phase, examining the validity, reliability, and consistency with current scientific knowledge of the standards and individual listings in the Listing of Impairments set forth in appendix 1 of subpart P of part 404 of title 20, Code of Federal Regulations, and of related evaluation procedures as promulgated by the Commissioner of Social Security; and

(3) such other issues as the applicable entity considers appropriate.

(c) REPORTS AND REGULATIONS.—

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity, to submit an interim report and a final report of the findings and recommendations resulting from the study described in this section to the President and the Congress not later than 18 months and 24 months, respectively, from the date of the contract for such study, and such additional reports as the Commissioner deems appropriate after consultation with the applicable entity.

(2) REGULATIONS.—The Commissioner of Social Security shall review both the interim and final reports, and shall issue regulations implementing any necessary changes following each report.

**SEC. 233. STUDY BY GENERAL ACCOUNTING OFFICE.**

Not later than January 1, 1998, the Comptroller General of the United States shall study and report on—

(1) the impact of the amendments made by, and the provisions of, this title on the supplemental security income program under title XVI of the Social Security Act; and

(2) extra expenses incurred by families of children receiving benefits under such title that are not covered by other Federal, State, or local programs.

**Subtitle E—National Commission on the Future of Disability**

**SEC. 241. ESTABLISHMENT.**

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this subtitle as the ''Commission'').

**SEC. 242. DUTIES OF THE COMMISSION.**

(a) IN GENERAL.—The Commission shall develop and carry out a comprehensive study of all matters related to the nature, purpose, and adequacy of all Federal programs serving individuals with disabilities. In particular, the Commission shall study the disability insurance program under title II of the Social Security Act and the supplemental security income program under title XVI of such Act.

(b) MATTERS STUDIED.—The Commission shall prepare an inventory of Federal programs serving individuals with disabilities, and shall examine—

(1) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(2) the feasibility and design of performance standards for the Nation's disability programs;

(3) the adequacy of Federal efforts in rehabilitation research and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(4) the adequacy of policy research available to the Federal Government, and what actions might be undertaken to improve the quality and scope of such research.

(c) RECOMMENDATIONS.—The Commission shall submit to the appropriate committees of the Congress and to the President recommendations and, as appropriate, proposals for legislation, regarding—

(1) which (if any) Federal disability programs should be eliminated or augmented;

(2) what new Federal disability programs (if any) should be established;

(3) the suitability of the organization and location of disability programs within the Federal Government;

(4) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(5) such other matters as the Commission considers appropriate.

**SEC. 243. MEMBERSHIP.**

(a) NUMBER AND APPOINTMENT.—

(1) IN GENERAL.—The Commission shall be composed of 15 members, of whom—

(A) five shall be appointed by the President, of whom not more than 3 shall be of the same major political party;

(B) three shall be appointed by the Majority Leader of the Senate;

(C) two shall be appointed by the Minority Leader of the Senate;

(D) three shall be appointed by the Speaker of the House of Representatives; and

(E) two shall be appointed by the Minority Leader of the House of Representatives.

(2) REPRESENTATION.—The Commission members shall be chosen based on their education, training, or experience. In appointing individuals as members of the Commission, the President and the Majority and Minority Leaders of the Senate and the Speaker and Minority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the general interests of the business and taxpaying community and the diversity of individuals with disabilities in the United States.

(b) COMPTROLLER GENERAL.—The Comptroller General of the United States shall advise the Commission on the methodology and approach of the study of the Commission.

(c) TERM OF APPOINTMENT.—The members shall serve on the Commission for the life of the Commission.

(d) MEETINGS.—The Commission shall locate its headquarters in the District of Columbia, and shall meet at the call of the Chairperson, but not less than 4 times each year during the life of the Commission.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRPERSON AND VICE CHAIRPERSON.—Not later than 15 days after the members of the Commission are appointed, such members shall designate a Chairperson and Vice Chairperson from among the members of the Commission.

(g) CONTINUATION OF MEMBERSHIP.—If a member of the Commission becomes an officer or employee of any government after appointment to the Commission, the individual may continue as a member until a successor member is appointed.

(h) VACANCIES.—A vacancy on the Commission shall be filled in the manner in which the original appointment was made not later than 30 days after the Commission is given notice of the vacancy.

(i) COMPENSATION.—Members of the Commission shall receive no additional pay, allowances, or benefits by reason of their service on the Commission.

(j) TRAVEL EXPENSES.—Each member of the Commission shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

**SEC. 244. STAFF AND SUPPORT SERVICES.**

(a) DIRECTOR.—

(1) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(2) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(b) STAFF.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(c) APPLICABILITY OF CIVIL SERVICE LAWS.—The staff of the Commission shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates.

(d) EXPERTS AND CONSULTANTS.—With the approval of the Commission, the Director may procure temporary and intermittent services under section 3109(b) of title 5, United States Code.

(e) STAFF OF FEDERAL AGENCIES.—Upon the request of the Commission, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Commission to assist in carrying out the duties of the Commission under this subtitle.

(f) OTHER RESOURCES.—The Commission shall have reasonable access to materials, resources, statistical data, and other information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The Chairperson of the Commission shall make requests for such access in writing when necessary.

(g) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall locate suitable office space for the operation of the Commission. The facilities shall serve as the headquarters of the Commission and shall include all necessary equipment and incidentals required for proper functioning of the Commission.

**SEC. 245. POWERS OF COMMISSION.**

(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Commission, at any time and place the Commission is able to secure facilities and witnesses, for the purpose of carrying out the duties of the Commission under this subtitle.

(b) DELEGATION OF AUTHORITY.—Any member or agent of the Commission may, if authorized by the Commission, take any action the Commission is authorized to take by this section.

(c) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out its duties under this subtitle. Upon request of the Chairperson or Vice Chairperson of the Commission, the head of a Federal agency shall furnish the information to the Commission to the extent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Commission. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Treasury and shall be available for disbursement upon order of the Commission.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

**SEC. 246. REPORTS.**

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 247, the Commission shall submit an interim report to the President and to the Congress. The interim report shall contain a detailed statement of the findings and conclusions of the Commission, together with the Commission's recommendations for legislative and administrative action, based on the activities of the Commission.

(b) FINAL REPORT.—Not later than the date on which the Commission terminates, the Commission shall submit to the Congress and to the President a final report containing—

(1) a detailed statement of final findings, conclusions, and recommendations; and

(2) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been implemented.

(c) PRINTING AND PUBLIC DISTRIBUTION.—Upon receipt of each report of the Commission under this section, the President shall—

(1) order the report to be printed; and

(2) make the report available to the public upon request.

**SEC. 247. TERMINATION.**

The Commission shall terminate on the date that is 2 years after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson.

**SEC. 248. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated such sums as are necessary to carry out the purposes of the Commission.

## TITLE III—CHILD SUPPORT

**SEC. 300. REFERENCE TO SOCIAL SECURITY ACT.**

Except as otherwise specifically provided, where ever in this title an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

### Subtitle A—Eligibility for Services; Distribution of Payments

**SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.**

(a) STATE PLAN REQUIREMENTS.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking paragraph (4) and inserting the following new paragraph:

''(4) provide that the State will—

''(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

''(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance and adoption assistance are provided under the State program funded under part B of this title, or (III) medical assistance is provided under the State plan approved under title XIX, unless the State agency administering the plan determines (in accordance with paragraph (29)) that it is against the best interests of the child to do so; and

''(ii) any other child, if an individual applies for such services with respect to the child; and

''(B) enforce any support obligation established with respect to—

''(i) a child with respect to whom the State provides services under the plan; or

''(ii) the custodial parent of such a child.''; and

(2) in paragraph (6)—

(A) by striking ''provide that'' and inserting ''provide that—'';

(B) by striking subparagraph (A) and inserting the following new subparagraph:

''(A) services under the plan shall be made available to residents of other States on the same terms as to residents of the State submitting the plan;'';

(C) in subparagraph (B), by inserting ''on individuals not receiving assistance under any State program funded under part A'' after ''such services shall be imposed'';

(D) in each of subparagraphs (B), (C), (D), and (E)—

(i) by indenting the subparagraph in the same manner as, and aligning the left margin of the subparagraph with the left margin of, the matter inserted by subparagraph (B) of this paragraph; and

(ii) by striking the final comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of clauses (i) and (ii) 2 additional ems.

(b) CONTINUATION OF SERVICES FOR FAMILIES CEASING TO RECEIVE ASSISTANCE UNDER THE STATE PROGRAM FUNDED UNDER PART A.—Section 454 (42 U.S.C. 654) is amended—

(1) by striking ''and'' at the end of paragraph (23);

(2) by striking the period at the end of paragraph (24) and inserting ''; and''; and

(3) by adding after paragraph (24) the following new paragraph:

''(25) provide that if a family with respect to which services are provided under the plan ceases to receive assistance under the State program funded under part A, the State shall provide appropriate notice to the family and continue to provide such services, subject to the same conditions and on the same basis as in the case of other individuals to whom services are furnished under the plan, except that an application or other request to continue services shall not be required of such a family and paragraph (6)(B) shall not apply to the family.''.

(c) CONFORMING AMENDMENTS.—

(1) Section 452(b) (42 U.S.C. 652(b)) is amended by striking ''454(6)'' and inserting ''454(4)''.

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking ''454(6)'' each place it appears and inserting ''454(4)(A)(ii)''.

(3) Section 466(a)(3)(B) (42 U.S.C. 666(a)(3)(B)) is amended by striking ''in the case of overdue support which a State has agreed to collect under section 454(6)'' and inserting ''in any other case''.

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking ''paragraph (4) or (6) of section 454'' and inserting ''section 454(4)''.

**SEC. 302. DISTRIBUTION OF CHILD SUPPORT COLLECTIONS.**

(a) IN GENERAL.—Section 457 (42 U.S.C. 657) is amended to read as follows:

**''SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

''(a) IN GENERAL.—An amount collected on behalf of a family as support by a State pursuant to a plan approved under this part shall be distributed as follows:

''(1) FAMILIES RECEIVING ASSISTANCE.—In the case of a family receiving assistance from the State, the State shall—

''(A) pay to the Federal Government the Federal share of the amount so collected; and

''(B) retain, or distribute to the family, the State share of the amount so collected.

''(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

''(A) CURRENT SUPPORT PAYMENTS.—To the extent that the amount so collected does not exceed the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected to the family.

''(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

''(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

''(I) PRE-OCTOBER 1997.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

''(aa) accrued after the family ceased to receive assistance, and

''(bb) are collected before October 1, 1997.

''(II) POST-SEPTEMBER 1997.—With respect the amount so collected on or after October 1, 1997, or before such date, at the option of the State—

''(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued after the family ceased to receive assistance from the State.

''(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of division (aa) and clause (ii)(II)(aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)(A)) of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

''(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

''(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

''(I) PRE-OCTOBER 2000.—The provisions of this section (other than subsection (b)(1)) as in effect and applied on the day before the date of the enactment of section 302 of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

''(aa) accrued before the family received assistance, and

''(bb) are collected before October 1, 2000.

''(II) POST-SEPTEMBER 2000.—Unless, based on the report required by paragraph (4), the Congress determines otherwise, with respect to the amount so collected on or after October 1, 2000, or before such date, at the option of the State—

''(aa) IN GENERAL.—The State shall first distribute the amount so collected (other than any amount described in clause (iv)) to the family to the extent necessary to satisfy any support arrearages with respect to the family that accrued before the family received assistance from the State.

''(bb) REIMBURSEMENT OF GOVERNMENTS FOR ASSISTANCE PROVIDED TO THE FAMILY.—After the application of clause (i)(II)(aa) and division (aa) with respect to the amount so collected, the State shall retain the State share of the amount so collected, and pay to the Federal Government the Federal share (as defined in subsection (c)(2)) of the amount so collected, but only to the extent necessary to reimburse of the amounts paid to the family as assistance by the State.

''(cc) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (aa) nor division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

''(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED WHILE THE FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, the provisions of paragraph (1) shall apply with respect to the distribution of support arrearages that accrued while the family received assistance.

''(iv) AMOUNTS COLLECTED PURSUANT TO SECTION 464.—Notwithstanding any other provision of this section, any amount of support collected pursuant to section 464 shall be retained by the State to the extent necessary to reimburse amounts paid to the family as assistance by the State. The State shall pay to the Federal Government the Federal share of the amounts so retained. To the extent the amount collected pursuant to section 464 exceeds the amount so retained, the State shall distribute the excess to the family.

''(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subparagraph, the State shall treat any support arrearages collected as accruing in the following order:

''(I) to the period after the family ceased to receive assistance;

''(II) to the period before the family received assistance; and

''(III) to the period while the family was receiving assistance.

''(3) FAMILIES THAT NEVER RECEIVED ASSISTANCE.—In the case of any other family, the State shall distribute the amount so collected to the family.

''(4) STUDY AND REPORT.—Not later than October 1, 1998, the Secretary shall report to the Congress the Secretary's findings with respect to—

''(A) whether the distribution of post-assistance arrearages to families has been effective in moving people off of welfare and keeping them off of welfare;

''(B) whether early implementation of a pre-assistance arrearage program by some States has been effective in moving people off of welfare and keeping them off of welfare;

''(C) what the overall impact has been of the amendments made by the Bipartisan Welfare Reform Act of 1996 with respect to child support enforcement in moving people off of welfare and keeping them off of welfare; and

''(D) based on the information and data the Secretary has obtained, what changes, if any, should be made in the policies related to the distribution of child support arrearages.

''(b) CONTINUATION OF ASSIGNMENTS.—Any rights to support obligations, which were assigned to a State as a condition of receiving assistance from the State under part A and which were in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996, shall remain assigned after such date.

''(c) DEFINITIONS.—As used in subsection (a):

''(1) ASSISTANCE.—The term 'assistance from the State' means—

''(A) assistance under the State program funded under part A or under the State plan approved under part A of this title (as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996); or

''(B) benefits under the State plan approved under part E of this title (as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996).

''(2) FEDERAL SHARE.—The term 'Federal share' means that portion of the amount collected resulting from the application of the Federal medical percentage in effect for the fiscal year in which the amount is collected.

''(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term 'Federal medical assistance percentage' means—

''(A) the Federal medical assistance percentage (as defined in section 1118), in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

''(B) the Federal medical assistance percentage (as defined in section 1905(b)) in the case of any other State.

''(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

''(d) HOLD HARMLESS PROVISION.—If the amounts collected which could be retained by the State in the fiscal year (to the extent necessary to reimburse the State for amounts paid to families as assistance by the State) are less than the State share of the amounts collected in fiscal year 1995 (determined in accordance with section 457 as in effect on the day before the date of the enactment of the Bipartisan Welfare Reform Act of 1996), the State share for the fiscal year shall be an amount equal to the State share in fiscal year 1995.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking ''section 457(b)(4) or (d)(3)'' and inserting ''section 457''.

(2) Section 454 (42 U.S.C. 654) is amended—

(A) in paragraph (11)—

(i) by striking ''(11)'' and inserting ''(11)(A)''; and

(ii) by inserting after the semicolon ''and''; and

(B) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(c) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall be effective on October 1, 1996, or earlier at the State's option.

(2) CONFORMING AMENDMENTS.—The amendments made by subsection (b)(2) shall become effective on the date of the enactment of this Act.

**SEC. 303. PRIVACY SAFEGUARDS.**

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by section 301(b) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting ''; and''; and

(3) by adding after paragraph (25) the following new paragraph:

''(26) will have in effect safeguards, applicable to all confidential information handled by the State agency, that are designed to protect the privacy rights of the parties, including—

''(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

''(B) prohibitions against the release of information on the whereabouts of 1 party to another party against whom a protective order with respect to the former party has been entered; and

''(C) prohibitions against the release of information on the whereabouts of 1 party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

**SEC. 304. RIGHTS TO NOTIFICATION AND HEARINGS.**

(a) IN GENERAL.—Section 454 (42 U.S.C. 654), as amended by section 302(b)(2) of this Act, is amended by inserting after paragraph (11) the following new paragraph:

''(12) provide for the establishment of procedures to require the State to provide individuals who are applying for or receiving services under the State plan, or who are parties to cases in which services are being provided under the State plan—

''(A) with notice of all proceedings in which support obligations might be established or modified; and

''(B) with a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

**Subtitle B—Locate and Case Tracking**

**SEC. 311. STATE CASE REGISTRY.**

Section 454A, as added by section 344(a)(2) of this Act, is amended by adding at the end the following new subsections:

''(e) STATE CASE REGISTRY.—

''(1) CONTENTS.—The automated system required by this section shall include a registry (which shall be known as the 'State case registry') that contains records with respect to—

''(A) each case in which services are being provided by the State agency under the State plan approved under this part; and

''(B) each support order established or modified in the State on or after October 1, 1998.

''(2) LINKING OF LOCAL REGISTRIES.—The State case registry may be established by linking local case registries of support orders through an automated information network, subject to this section.

''(3) USE OF STANDARDIZED DATA ELEMENTS.—Such records shall use standardized data elements for both parents (such as names, social security numbers and other uniform identification numbers, dates of birth, and case identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

''(4) PAYMENT RECORDS.—Each case record in the State case registry with respect to which services are being provided under the State plan approved under this part and with respect to which a support order has been established shall include a record of—

''(A) the amount of monthly (or other periodic) support owed under the order, and other amounts (including arrearages, interest or late payment penalties, and fees) due or overdue under the order;

''(B) any amount described in subparagraph (A) that has been collected;

''(C) the distribution of such collected amounts;

''(D) the birth date of any child for whom the order requires the provision of support; and

''(E) the amount of any lien imposed with respect to the order pursuant to section 466(a)(4).

''(5) UPDATING AND MONITORING.—The State agency operating the automated system required by this section shall promptly establish and maintain, and regularly monitor, case records in the State case registry with respect to which services are being provided under the State plan approved under this part, on the basis of—

''(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

''(B) information obtained from comparison with Federal, State, or local sources of information;

''(C) information on support collections and distributions; and

''(D) any other relevant information.

''(f) INFORMATION COMPARISONS AND OTHER DISCLOSURES OF INFORMATION.—The State shall use the automated system required by this section to extract information from (at such times, and in such standardized format or formats, as may be required by the Secretary), to share and compare information with, and to receive information from, other data bases and information comparison services, in order to obtain (or provide) information necessary to enable the State agency (or the Secretary or other State or Federal agencies) to carry out this part, subject to section 6103 of the Internal Revenue Code of 1986. Such information comparison activities shall include the following:

''(1) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—Furnishing to the Federal Case Registry of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) the minimum amount of information on child support cases recorded in the State case registry that is necessary to operate the registry (as specified by the Secretary in regulations).

''(2) FEDERAL PARENT LOCATOR SERVICE.—Exchanging information with the Federal Parent Locator Service for the purposes specified in section 453.

''(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—Exchanging information with State agencies (of the State and of other States) administering programs funded under part A, programs operated under State plans under title XIX, and other programs designated by the Secretary, as necessary to perform State agency responsibilities under this part and under such programs.

''(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—Exchanging information with other agencies of the State, agencies of other States, and interstate information networks, as necessary and appropriate to carry out (or assist other States to carry out) the purposes of this part.''.

**SEC. 312. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.**

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b) and 303(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting ''; and''; and

(3) by adding after paragraph (26) the following new paragraph:

''(27) provide that, on and after October 1, 1998, the State agency will—

''(A) operate a State disbursement unit in accordance with section 454B; and

''(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

''(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

''(ii) take the actions described in section 466(c)(1) in appropriate cases.''.

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 344(a)(2) of this Act, is amended by inserting after section 454A the following new section:

**''SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.**

''(a) STATE DISBURSEMENT UNIT.—

''(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the 'State disbursement unit') for the collection and disbursement of payments under support orders—

''(A) in all cases being enforced by the State pursuant to section 454(4); and

''(B) in all cases not being enforced by the State under this part in which the support order is initially issued in the State on or after January 1, 1994, and in which the wages of the absent parent are subject to withholding pursuant to section 466(a)(8)(B).

''(2) OPERATION.—The State disbursement unit shall be operated—

''(A) directly by the State agency (or 2 or more State agencies under a regional cooperative agreement), or (to the extent appropriate) by a contractor responsible directly to the State agency; and

''(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to section 454A.

''(3) LINKING OF LOCAL DISBURSEMENT UNITS.—The State disbursement unit may be established by linking local disbursement units through an automated information network, subject to this section, if the Secretary agrees that the system will not cost more nor take more time to establish or operate than a centralized system. In addition, employers shall be given 1 location to which income withholding is sent.

''(b) REQUIRED PROCEDURES.—The State disbursement unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

''(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the agencies of other States;

''(2) for accurate identification of payments;

''(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

''(4) to furnish to any parent, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

''(c) TIMING OF DISBURSEMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the State disbursement unit shall distribute all amounts payable under section 457(a) within 2 business days after receipt from the employer or other source of periodic income, if sufficient information identifying the payee is provided.

''(2) PERMISSIVE RETENTION OF ARREARAGES.—The State disbursement unit may delay the distribution of collections toward arrearages until the resolution of any timely appeal with respect to such arrearages.

''(d) BUSINESS DAY DEFINED.—As used in this section, the term 'business day' means a day on which State offices are open for regular business.''.

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 344(a)(2) and as amended by section 311 of this Act, is amended by adding at the end the following new subsection:

''(g) COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—

''(1) IN GENERAL.—The State shall use the automated system required by this section, to the maximum extent feasible, to assist and facilitate the collection and disbursement of support payments through the State disbursement unit operated under section 454B, through the performance of functions, including, at a minimum—

''(A) transmission of orders and notices to employers (and other debtors) for the withholding of wages and other income—

''(i) within 2 business days after receipt from a court, another State, an employer, the Federal Parent Locator Service, or another source recognized by the State of notice of, and the income source subject to, such withholding; and

''(ii) using uniform formats prescribed by the Secretary;

''(B) ongoing monitoring to promptly identify failures to make timely payment of support; and

''(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 466(c)) if payments are not timely made.

''(2) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1998.

**SEC. 313. STATE DIRECTORY OF NEW HIRES.**

(a) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a) and 312(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (26);

(2) by striking the period at the end of paragraph (27) and inserting ''; and''; and

(3) by adding after paragraph (27) the following new paragraph:

''(28) provide that, on and after October 1, 1997, the State will operate a State Directory of New Hires in accordance with section 453A.''.

(b) STATE DIRECTORY OF NEW HIRES.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 453 the following new section:

**''SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—

''(A) REQUIREMENT FOR STATES THAT HAVE NO DIRECTORY.—Except as provided in subparagraph (B), not later than October 1, 1997, each State shall establish an automated directory (to be known as the 'State Directory of New Hires') which shall contain information supplied in accordance with subsection (b) by employers on each newly hired employee.

''(B) STATES WITH NEW HIRE REPORTING IN EXISTENCE.—A State which has a new hire reporting law in existence on the date of the enactment of this section may continue to operate under the State law, but the State must meet the requirements of this section (other than subsection (f)) not later than October 1, 1997.

''(2) DEFINITIONS.—As used in this section:

''(A) EMPLOYEE.—The term 'employee'—

''(i) means an individual who is an employee within the meaning of chapter 24 of the Internal Revenue Code of 1986; and

''(ii) does not include an employee of a Federal or State agency performing intelligence or counterintelligence functions, if the head of such agency has determined that reporting pursuant to paragraph (1) with respect to the employee could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.

''(B) EMPLOYER.—

''(i) IN GENERAL.—The term 'employer' has the meaning given such term in section 3401(d) of the Internal Revenue Code of 1996 and includes any governmental entity and any labor organization.

''(ii) LABOR ORGANIZATION.—The term 'labor organization' shall have the meaning given such term in section 2(5) of the National Labor Relations Act, and includes any entity (also known as a 'hiring hall') which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

''(b) EMPLOYER INFORMATION.—

''(1) REPORTING REQUIREMENT.—

''(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

''(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

''(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

''(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

''(A) not later than 20 days after the date the employer hires the employee; or

''(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

''(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W–4 form or, at the option of the employer, an equivalent form, and may be transmitted by 1st class mail, magnetically, or electronically.

''(d) CIVIL MONEY PENALTIES ON NONCOMPLYING EMPLOYERS.—The State shall have the option to set a State civil money penalty which shall be less than—

''(1) $25; or

''(2) $500 if, under State law, the failure is the result of a conspiracy between the employer and the employee to not supply the required report or to supply a false or incomplete report.

''(e) ENTRY OF EMPLOYER INFORMATION.—Information shall be entered into the data base maintained by the State Directory of New Hires within 5 business days of receipt from an employer pursuant to subsection (b).

''(f) INFORMATION COMPARISONS.—

''(1) IN GENERAL.—Not later than May 1, 1998, an agency designated by the State shall, directly or by contract, conduct automated comparisons of the social security numbers reported by employers pursuant to subsection (b) and the social security numbers appearing in the records of the State case registry for cases being enforced under the State plan.

''(2) NOTICE OF MATCH.—When an information comparison conducted under paragraph (1) reveals a match with respect to the social security number of an individual required to provide support under a support order, the State Directory of New Hires shall provide the agency administering the State plan approved under this part of the appropriate State with the name, address, and social security number of the employee to whom the social security number is assigned, and the name of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to the employer.

''(g) TRANSMISSION OF INFORMATION.—

''(1) TRANSMISSION OF WAGE WITHHOLDING NOTICES TO EMPLOYERS.—Within 2 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State agency enforcing the employee's child support obligation shall transmit a notice to the employer of the employee directing the employer to withhold from the wages of the employee an amount equal to the monthly (or other periodic) child support obligation (including any past due support obligation) of the employee, unless the employee's wages are not subject to withholding pursuant to section 466(b)(3).

''(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

''(A) NEW HIRE INFORMATION.—Within 3 business days after the date information regarding a newly hired employee is entered into the State Directory of New Hires, the State Directory of New Hires shall furnish the information to the National Directory of New Hires.

''(B) WAGE AND UNEMPLOYMENT COMPENSATION INFORMATION.—The State Directory of New Hires shall, on a quarterly basis, furnish to the National Directory of New Hires extracts of the reports required under section 303(a)(6) to be made to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals, by such dates, in such format, and containing such information as the Secretary of Health and Human Services shall specify in regulations.

''(3) BUSINESS DAY DEFINED.—As used in this subsection, the term 'business day' means a day on which State offices are open for regular business.

''(h) OTHER USES OF NEW HIRE INFORMATION.—

''(1) LOCATION OF CHILD SUPPORT OBLIGORS.—The agency administering the State plan approved under this part shall use information received pursuant to subsection (f)(2) to locate individuals for purposes of establishing paternity and establishing, modifying, and enforcing child support obligations.

''(2) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for administering a program specified in section 1137(b) shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for the program.

''(3) ADMINISTRATION OF EMPLOYMENT SECURITY AND WORKERS' COMPENSATION.—State agencies operating employment security and workers' compensation programs shall have access to information reported by employers pursuant to subsection (b) for the purposes of administering such programs.''.

(c) QUARTERLY WAGE REPORTING.—Section 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

(1) by inserting ''(including State and local governmental entities and labor organizations (as defined in section 453A(a)(2)(B)(iii))'' after ''employers''; and

(2) by inserting '', and except that no report shall be filed with respect to an employee of a State or local agency performing intelligence or counterintelligence functions, if the head of such agency has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission'' after ''paragraph (2)''.

**SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLDING.**

(a) MANDATORY INCOME WITHHOLDING.—

(1) IN GENERAL.—Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

''(1)(A) Procedures described in subsection (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

''(B) Procedures under which the wages of a person with a support obligation imposed by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall become subject to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.''.

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b) (42 U.S.C. 666(b)) is amended in the matter preceding paragraph (1), by striking ''subsection (a)(1)'' and inserting ''subsection (a)(1)(A)''.

(B) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

''(4)(A) Such withholding must be carried out in full compliance with all procedural due process requirements of the State, and the State must send notice to each noncustodial parent to whom paragraph (1) applies—

''(i) that the withholding has commenced; and

''(ii) of the procedures to follow if the noncustodial parent desires to contest such withholding on the grounds that the withholding or the amount withheld is improper due to a mistake of fact.

''(B) The notice under subparagraph (A) of this paragraph shall include the information provided to the employer under paragraph (6)(A).''.

(C) Section 466(b)(5) (42 U.S.C. 666(b)(5)) is amended by striking all that follows ''administered by'' and inserting ''the State through the State disbursement unit established pursuant to section 454B, in accordance with the requirements of section 454B.''.

(D) Section 466(b)(6)(A) (42 U.S.C. 666(b)(6)(A)) is amended—

(i) in clause (i), by striking ''to the appropriate agency'' and all that follows and inserting ''to the State disbursement unit within 2 business days after the date the amount would (but for this subsection) have been paid or credited to the employee, for distribution in accordance with this part. The employer shall comply with the procedural rules relating to income withholding of the State in which the employee works, regardless of the State where the notice originates.''.

(ii) in clause (ii), by inserting ''be in a standard format prescribed by the Secretary, and'' after ''shall''; and

(iii) by adding at the end the following new clause:

''(iii) As used in this subparagraph, the term 'business day' means a day on which State offices are open for regular business.''.

(E) Section 466(b)(6)(D) (42 U.S.C. 666(b)(6)(D)) is amended by striking ''any employer'' and all that follows and inserting ''any employer who—

''(i) discharges from employment, refuses to employ, or takes disciplinary action against any noncustodial parent subject to wage withholding required by this subsection because of the existence of such withholding and the obligations or additional obligations which it imposes upon the employer; or

''(ii) fails to withhold support from wages, or to pay such amounts to the State disbursement unit in accordance with this subsection.''.

(F) Section 466(b) (42 U.S.C. 666(b)) is amended by adding at the end the following new paragraph:

''(11) Procedures under which the agency administering the State plan approved under this part may execute a withholding order without advance notice to the obligor, including issuing the withholding order through electronic means.''.

(b) CONFORMING AMENDMENT.—Section 466(c) (42 U.S.C. 666(c)) is repealed.

**SEC. 315. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.**

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new paragraph:

''(12) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures to ensure that all Federal and State agencies conducting activities under this part have access to any system used by the State to locate an individual for purposes relating to motor vehicles or law enforcement.''.

**SEC. 316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.**

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows ''subsection (c))'' and inserting '', for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or enforcing child custody or visitation orders—

''(1) information on, or facilitating the discovery of, the location of any individual—

''(A) who is under an obligation to pay child support or provide child custody or visitation rights;

''(B) against whom such an obligation is sought;

''(C) to whom such an obligation is owed, including the individual's social security number (or numbers), most recent address, and the name, address, and employer identification number of the individual's employer;

''(2) information on the individual's wages (or other income) from, and benefits of, employment (including rights to or enrollment in group health care coverage); and

''(3) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.''; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking ''social security'' and all that follows through ''absent parent'' and inserting ''information described in subsection (a)''; and

(B) in the flush paragraph at the end, by adding the following: ''No information shall be disclosed to any person if the State has notified the Secretary that the State has reasonable evidence of domestic violence or child abuse and the disclosure of such information could be harmful to the custodial parent or the child of such parent. Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).''.

(b) AUTHORIZED PERSON FOR INFORMATION REGARDING VISITATION RIGHTS.—Section 453(c) (42 U.S.C. 653(c)) is amended—

(1) in paragraph (1), by striking ''support'' and inserting ''support or to seek to enforce orders providing child custody or visitation rights''; and

(2) in paragraph (2), by striking '', or any agent of such court; and'' and inserting ''or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;''.

(c) REIMBURSEMENT FOR INFORMATION FROM FEDERAL AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is amended in the 4th sentence by inserting ''in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information)'' before the period.

(d) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—Section 453 (42 U.S.C. 653) is amended by adding at the end the following new subsection:

''(g) REIMBURSEMENT FOR REPORTS BY STATE AGENCIES.—The Secretary may reimburse Federal and State agencies for the costs incurred by such entities in furnishing information requested by the Secretary under this section in an amount which the Secretary determines to be reasonable payment for the information exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the information).''.

(e) CONFORMING AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), 663(e), and 663(f)) are each amended by inserting ''Federal'' before ''Parent'' each place such term appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding ''FEDERAL'' before ''PARENT''.

(f) NEW COMPONENTS.—Section 453 (42 U.S.C. 653), as amended by subsection (d) of this section, is amended by adding at the end the following new subsections:

''(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.—

''(1) IN GENERAL.—Not later than October 1, 1998, in order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall establish and maintain in the Federal Parent Locator Service an automated registry (which shall be known as the 'Federal Case Registry of Child Support Orders'), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to each case in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

''(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary may specify in regulations (including the names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have the case.

''(i) NATIONAL DIRECTORY OF NEW HIRES.—

''(1) IN GENERAL.—In order to assist States in administering programs under State plans approved under this part and programs funded under part A, and for the other purposes specified in this section, the Secretary shall, not later than October 1, 1996, establish and maintain in the Federal Parent Locator Service an automated directory to be known as the National Directory of New Hires, which shall contain the information supplied pursuant to section 453A(g)(2).

''(2) ENTRY OF DATA.—Information shall be entered into the data base maintained by the National Directory of New Hires within 2 business days of receipt pursuant to section 453A(g)(2).

''(3) ADMINISTRATION OF FEDERAL TAX LAWS.—The Secretary of the Treasury shall have access to the information in the National Directory of New Hires for purposes of administering section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 3507 of such Code, and verifying a claim with respect to employment in a tax return.

''(4) LIST OF MULTISTATE EMPLOYERS.—The Secretary shall maintain within the National Directory of New Hires a list of multistate employers that report information regarding newly hired employees pursuant to section 453A(b)(1)(B), and the State which each such employer has designated to receive such information.

''(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

''(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—

''(A) IN GENERAL.—The Secretary shall transmit information on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

''(B) VERIFICATION BY SSA.—The Social Security Administration shall verify the accuracy of, correct, or supply to the extent possible, and report to the Secretary, the following information supplied by the Secretary pursuant to subparagraph (A):

''(i) The name, social security number, and birth date of each such individual.

''(ii) The employer identification number of each such employer.

''(2) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment case or a case involving the establishment, modification, or enforcement of a support order, the Secretary shall—

''(A) compare information in the National Directory of New Hires against information in the support case abstracts in the Federal Case Registry of Child Support Orders not less often than every 2 business days; and

''(B) within 2 such days after such a comparison reveals a match with respect to an individual, report the information to the State agency responsible for the case.

''(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN ALL REGISTRIES FOR TITLE IV PROGRAM PURPOSES.—To the extent and with the frequency that the Secretary determines to be effective in assisting States to carry out their responsibilities under programs operated under this part and programs funded under part A, the Secretary shall—

''(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

''(B) disclose information in such registries to such State agencies.

''(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

''(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

''(k) FEES.—

''(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, for the costs incurred by the Commissioner in performing the verification services described in subsection (j).

''(2) FOR INFORMATION FROM STATE DIRECTORIES OF NEW HIRES.—The Secretary shall reimburse costs incurred by State directories of new hires in furnishing information as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such information).

''(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Secretary for costs incurred by the Secretary in furnishing the information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and comparing the information).

''(l) RESTRICTION ON DISCLOSURE AND USE.—Information in the Federal Parent Locator Service, and information resulting from comparisons using such information, shall not be used or disclosed except as expressly provided in this section, subject to section 6103 of the Internal Revenue Code of 1986.

''(m) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

''(1) ensure the accuracy and completeness of information in the Federal Parent Locator Service; and

''(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

''(n) FEDERAL GOVERNMENT REPORTING.—Each department, agency, and instrumentality of the United States shall on a quarterly basis report to the Federal Parent Locator Service the name and social security number of each employee and the wages paid to the employee during the previous quarter, except that such a report shall not be filed with respect to an employee of a department, agency, or instrumentality performing intelligence or counterintelligence functions, if the head of such department, agency, or instrumentality has determined that filing such a report could endanger the safety of the employee or compromise an ongoing investigation or intelligence mission.''.

(g) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(A) Section 454(8)(B) (42 U.S.C. 654(8)(B)) is amended to read as follows:

''(B) the Federal Parent Locator Service established under section 453;''.

(B) Section 454(13) (42 U.S.C.654(13)) is amended by inserting ''and provide that information requests by parents who are residents of other States be treated with the same priority as requests by parents who are residents of the State submitting the plan'' before the semicolon.

(2) TO FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended—

(A) by striking ''Secretary of Health, Education, and Welfare'' each place such term appears and inserting ''Secretary of Health and Human Services'';

(B) in subparagraph (B), by striking ''such information'' and all that follows and inserting ''information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;'';

(C) by striking ''and'' at the end of subparagraph (A);

(D) by redesignating subparagraph (B) as subparagraph (C); and

(E) by inserting after subparagraph (A) the following new subparagraph:

''(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the National Directory of New Hires established under section 453(i) of the Social Security Act, and''.

(3) TO STATE GRANT PROGRAM UNDER TITLE III OF THE SOCIAL SECURITY ACT.—Subsection (h) of section 303 (42 U.S.C. 503) is amended to read as follows:

''(h)(1) The State agency charged with the administration of the State law shall, on a reimbursable basis—

''(A) disclose quarterly, to the Secretary of Health and Human Services, wage and claim information, as required pursuant to section 453(i)(1), contained in the records of such agency;

''(B) ensure that information provided pursuant to subparagraph (A) meets such standards relating to correctness and verification as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

''(C) establish such safeguards as the Secretary of Labor determines are necessary to insure that information disclosed under subparagraph (A) is used only for purposes of section 453(i)(1) in carrying out the child support enforcement program under title IV.

''(2) Whenever the Secretary of Labor, after reasonable notice and opportunity for hearing to the State agency charged with the administration of the State law, finds that there is a failure to comply substantially with the requirements of paragraph (1), the Secretary of Labor shall notify such State agency that further payments will not be made to the State until the Secretary of Labor is satisfied that there is no longer any such failure. Until the Secretary of Labor is so satisfied, the Secretary shall make no future certification to the Secretary of the Treasury with respect to the State.

''(3) For purposes of this subsection—

''(A) the term 'wage information' means information regarding wages paid to an individual, the social security account number of such individual, and the name, address, State, and the Federal employer identification number of the employer paying such wages to such individual; and

''(B) the term 'claim information' means information regarding whether an individual is receiving, has received, or has made application for, unemployment compensation, the amount of any such compensation being received (or to be received by such individual), and the individual's current (or most recent) home address.''.

(4) DISCLOSURE OF CERTAIN INFORMATION TO AGENTS OF CHILD SUPPORT ENFORCEMENT AGENCIES.—

(A) IN GENERAL.—Paragraph (6) of section 6103(l) of the Internal Revenue Code of 1986 (relating to disclosure of return information to Federal, State, and local child support enforcement agencies) is amended by redesignating subparagraph (B) as subparagraph (C) and by inserting after subparagraph (A) the following new subparagraph:

''(B) DISCLOSURE TO CERTAIN AGENTS.—The following information disclosed to any child support enforcement agency under subparagraph (A) with respect to any individual with respect to whom child support obligations are sought to be established or enforced may be disclosed by such agency to any agent of such agency which is under contract with such agency to carry out the purposes described in subparagraph (C):

''(i) The address and social security account number (or numbers) of such individual.

''(ii) The amount of any reduction under section 6402(c) (relating to offset of past-due support against overpayments) in any overpayment otherwise payable to such individual.''

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a) of such Code is amended by striking ''(l)(12)'' and inserting ''paragraph (6) or (12) of subsection (l)''.

(ii) Subparagraph (C) of section 6103(l)(6) of such Code, as redesignated by subsection (a), is amended to read as follows:

''(C) RESTRICTION ON DISCLOSURE.—Information may be disclosed under this paragraph only for purposes of, and to the extent necessary in, establishing and collecting child support obligations from, and locating, individuals owing such obligations.''

(iii) The material following subparagraph (F) of section 6103(p)(4) of such Code is amended by striking ''subsection (l)(12)(B)'' and inserting ''paragraph (6)(A) or (12)(B) of subsection (l)''.

**SEC. 317. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.**

(a) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 315 of this Act, is amended by adding at the end the following new paragraph:

''(13) RECORDING OF SOCIAL SECURITY NUMBERS IN CERTAIN FAMILY MATTERS.—Procedures requiring that the social security number of—

''(A) any applicant for a professional license, commercial driver's license, occupational license, or marriage license be recorded on the application;

''(B) any individual who is subject to a divorce decree, support order, or paternity determination or acknowledgment be placed in the records relating to the matter; and

''(C) any individual who has died be placed in the records relating to the death and be recorded on the death certificate.

For purposes of subparagraph (A), if a State allows the use of a number other than the social security number, the State shall so advise any applicants.''.

(b) CONFORMING AMENDMENTS.—Section 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by section 321(a)(9) of the Social Security Independence and Program Improvements Act of 1994, is amended—

(1) in clause (i), by striking ''may require'' and inserting ''shall require'';

(2) in clause (ii), by inserting after the 1st sentence the following: ''In the administration of any law involving the issuance of a marriage certificate or license, each State shall require each party named in the certificate or license to furnish to the State (or political subdivision thereof), or any State agency having administrative responsibility for the law involved, the social security number of the party.'';

(3) in clause (ii), by inserting ''or marriage certificate'' after ''Such numbers shall not be recorded on the birth certificate''.

(4) in clause (vi), by striking ''may'' and inserting ''shall''; and

(5) by adding at the end the following new clauses:

''(x) An agency of a State (or a political subdivision thereof) charged with the administration of any law concerning the issuance or renewal of a license, certificate, permit, or other authorization to engage in a profession, an occupation, or a commercial activity shall require all applicants for issuance or renewal of the license, certificate, permit, or other authorization to provide the applicant's social security number to the agency for the purpose of administering such laws, and for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.

''(xi) All divorce decrees, support orders, and paternity determinations issued, and all paternity acknowledgments made, in each State shall include the social security number of each party to the decree, order, determination, or acknowledgment in the records relating to the matter, for the purpose of responding to requests for information from an agency operating pursuant to part D of title IV.''.

**Subtitle C—Streamlining and Uniformity of Procedures**

**SEC. 321. ADOPTION OF UNIFORM STATE LAWS.**

Section 466 (42 U.S.C. 666) is amended by adding at the end the following new subsection:

''(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—

''(1) ENACTMENT AND USE.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, together with any amendments officially adopted before January 1, 1998, by the National Conference of Commissioners on Uniform State Laws.

''(2) EMPLOYERS TO FOLLOW PROCEDURAL RULES OF STATE WHERE EMPLOYEE WORKS.—The State law enacted pursuant to paragraph (1) shall provide that an employer that receives an income withholding order or notice pursuant to section 501 of the Uniform Interstate Family Support Act follow the procedural rules that apply with respect to such order or notice under the laws of the State in which the obligor works.''.

**SEC. 322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.**

Section 1738B of title 28, United States Code, is amended—

(1) in subsection (a)(2), by striking ''subsection (e)'' and inserting ''subsections (e), (f), and (i)'';

(2) in subsection (b), by inserting after the 2d undesignated paragraph the following:

''child's home State' means the State in which a child lived with a parent or a person acting as parent for at least 6 consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than 6 months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the 6-month period.'';

(3) in subsection (c), by inserting ''by a court of a State'' before ''is made'';

(4) in subsection (c)(1), by inserting ''and subsections (e), (f), and (g)'' after ''located'';

(5) in subsection (d)—

(A) by inserting ''individual'' before ''contestant''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(6) in subsection (e), by striking ''make a modification of a child support order with respect to a child that is made'' and inserting ''modify a child support order issued'';

(7) in subsection (e)(1), by inserting ''pursuant to subsection (i)'' before the semicolon;

(8) in subsection (e)(2)—

(A) by inserting ''individual'' before ''contestant'' each place such term appears; and

(B) by striking ''to that court's making the modification and assuming'' and inserting ''with the State of continuing, exclusive jurisdiction for a court of another State to modify the order and assume'';

(9) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively;

(10) by inserting after subsection (e) the following new subsection:

''(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

''(1) If only 1 court has issued a child support order, the order of that court must be recognized.

''(2) If 2 or more courts have issued child support orders for the same obligor and child, and only 1 of the courts would have continuing, exclusive jurisdiction under this section, the order of that court must be recognized.

''(3) If 2 or more courts have issued child support orders for the same obligor and child, and more than 1 of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

''(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, a court may issue a child support order, which must be recognized.

''(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.'';

(11) in subsection (g) (as so redesignated)—

(A) by striking ''PRIOR'' and inserting ''MODIFIED''; and

(B) by striking ''subsection (e)'' and inserting ''subsections (e) and (f)'';

(12) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting ''including the duration of current payments and other obligations of support'' before the comma; and

(B) in paragraph (3), by inserting ''arrears under'' after ''enforce''; and

(13) by adding at the end the following new subsection:

''(i) REGISTRATION FOR MODIFICATION.—If there is no individual contestant or child residing in the issuing State, the party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another State shall register that order in a State with jurisdiction over the nonmovant for the purpose of modification.''.

**SEC. 323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315 and 317(a) of this Act, is amended by adding at the end the following new paragraph:

''(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

''(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

''(ii) the term 'business day' means a day on which State offices are open for regular business;

''(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

''(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

''(ii) shall constitute a certification by the requesting State—

''(I) of the amount of support under the order the payment of which is in arrears; and

''(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

''(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

''(D) the State shall maintain records of—

''(i) the number of such requests for assistance received by the State;

''(ii) the number of cases for which the State collected support in response to such a request; and

''(iii) the amount of such collected support.''.

**SEC. 324. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

(a) PROMULGATION.—Section 452(a) (42 U.S.C. 652(a)) is amended—

(1) by striking ''and'' at the end of paragraph (9);

(2) by striking the period at the end of paragraph (10) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(11) not later than June 30, 1996, after consulting with the State directors of programs under this part, promulgate forms to be used by States in interstate cases for—

''(A) collection of child support through income withholding;

''(B) imposition of liens; and

''(C) administrative subpoenas.''.

(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—

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

(2) by inserting ''and'' at the end of subparagraph (D); and

(3) by adding at the end the following new subparagraph:

''(E) no later than October 1, 1996, in using the forms promulgated pursuant to section 452(a)(11) for income withholding, imposition of liens, and issuance of administrative subpoenas in interstate child support cases;''.

**SEC. 325. STATE LAWS PROVIDING EXPEDITED PROCEDURES.**

(a) STATE LAW REQUIREMENTS.—Section 466 (42 U.S.C. 666), as amended by section 314 of this Act, is amended—

(1) in subsection (a)(2), by striking the first sentence and inserting the following: ''Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations.''; and

(2) by inserting after subsection (b) the following new subsection:

''(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

''(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States) to take the following actions:

''(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

''(B) FINANCIAL OR OTHER INFORMATION.—To subpoena any financial or other information needed to establish, modify, or enforce a support order, and to impose penalties for failure to respond to such a subpoena.

''(C) RESPONSE TO STATE AGENCY REQUEST.—To require all entities in the State (including for-profit, nonprofit, and governmental employers) to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor, and to sanction failure to respond to any such request.

''(D) ACCESS TO CERTAIN RECORDS.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

''(i) Records of other State and local government agencies, including—

''(I) vital statistics (including records of marriage, birth, and divorce);

''(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

''(III) records concerning real and titled personal property;

''(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

''(V) employment security records;

''(VI) records of agencies administering public assistance programs;

''(VII) records of the motor vehicle department; and

''(VIII) corrections records.

''(ii) Certain records held by private entities, including—

''(I) customer records of public utilities and cable television companies; and

''(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access), as provided pursuant to agreements described in subsection (a)(18).

''(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

''(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1) and (b) of section 466.

''(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy the arrearage by—

''(i) intercepting or seizing periodic or lump-sum payments from—

''(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

''(II) judgments, settlements, and lotteries;

''(ii) attaching and seizing assets of the obligor held in financial institutions;

''(iii) attaching public and private retirement funds; and

''(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

''(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to increase the amount of monthly support payments to include amounts for arrearages, subject to such conditions or limitations as the State may provide.

Such procedures shall be subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal.

''(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

''(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

''(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with the tribunal and the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including social security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and name and telephone number of employer; and

''(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the tribunal may deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address filed with the tribunal pursuant to clause (i).

''(B) STATEWIDE JURISDICTION.—Procedures under which—

''(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties; and

''(ii) in a State in which orders are issued by courts or administrative tribunals, a case may be transferred between local jurisdictions in the State without need for for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.

''(3) COORDINATION WITH ERISA.—Notwithstanding subsection (d) of section 514 of the Employee Retirement Income Security Act of 1974 (relating to effect on other laws), nothing in this subsection shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of such section 514 as it applies with respect to any procedure referred to in paragraph (1) and any expedited procedure referred to in paragraph (2), except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to qualified domestic relations orders) or the requirements of section 609(a) of such Act (relating to qualified medical child support orders) if the reference in such section 206(d)(3) to a domestic relations order and the reference in such section 609(a) to a medical child support order were a reference to a support order referred to in paragraphs (1) and (2) relating to the same matters, respectively.''.

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 344(a)(2) and as amended by sections 311 and 312(c) of this Act, is amended by adding at the end the following new subsection:

''(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).''.

**Subtitle D—Paternity Establishment**

**SEC. 331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.**

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

''(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

''(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

''(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

''(ii) As of August 16, 1984, clause (i) shall also apply to a child for whom paternity has not been established or for whom a paternity action was brought but dismissed because a statute of limitations of less than 18 years was then in effect in the State.

''(B) PROCEDURES CONCERNING GENETIC TESTING.—

''(i) GENETIC TESTING REQUIRED IN CERTAIN CONTESTED CASES.—Procedures under which the State is required, in a contested paternity case (unless otherwise barred by State law) to require the child and all other parties (other than individuals found under section 454(29) to have good cause for refusing to cooperate) to submit to genetic tests upon the request of any such party, if the request is supported by a sworn statement by the party—

''(I) alleging paternity, and setting forth facts establishing a reasonable possibility of the requisite sexual contact between the parties; or

''(II) denying paternity, and setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact between the parties.

''(ii) OTHER REQUIREMENTS.—Procedures which require the State agency, in any case in which the agency orders genetic testing—

''(I) to pay costs of such tests, subject to recoupment (if the State so elects) from the alleged father if paternity is established; and

''(II) to obtain additional testing in any case if an original test result is contested, upon request and advance payment by the contestant.

''(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

''(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

''(ii) HOSPITAL-BASED PROGRAM.—Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish.

''(iii) PATERNITY ESTABLISHMENT SERVICES.—

''(I) STATE-OFFERED SERVICES.—Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

''(II) REGULATIONS.—

''(aa) SERVICES OFFERED BY HOSPITALS AND BIRTH RECORD AGENCIES.—The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies.

''(bb) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, use the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

''(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit developed by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

''(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

''(i) INCLUSION IN BIRTH RECORDS.—Procedures under which the name of the father shall be included on the record of birth of the child of unmarried parents only if—

''(I) the father and mother have signed a voluntary acknowledgment of paternity; or

''(II) a court or an administrative agency of competent jurisdiction has issued an adjudication of paternity.

Nothing in this clause shall preclude a State agency from obtaining an admission of paternity from the father for submission in a judicial or administrative proceeding, or prohibit the issuance of an order in a judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional showing required by State law.

''(ii) LEGAL FINDING OF PATERNITY.—Procedures under which a signed voluntary acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within the earlier of—

''(I) 60 days; or

''(II) the date of an administrative or judicial proceeding relating to the child (including a proceeding to establish a support order) in which the signatory is a party.

''(iii) CONTEST.—Procedures under which, after the 60-day period referred to in clause (ii), a signed voluntary acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

''(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which judicial or administrative proceedings are not required or permitted to ratify an unchallenged acknowledgment of paternity.

''(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

''(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

''(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

''(II) performed by a laboratory approved by such an accreditation body;

''(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

''(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

''(G) PRESUMPTION OF PATERNITY IN CERTAIN CASES.—Procedures which create a rebuttable or, at the option of the State, conclusive presumption of paternity upon genetic testing results indicating a threshold probability that the alleged father is the father of the child.

''(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

''(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to a trial by jury.

''(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, if there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

''(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services or for testing on behalf of the child.

''(L) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.

''(M) FILING OF ACKNOWLEDGMENTS AND ADJUDICATIONS IN STATE REGISTRY OF BIRTH RECORDS.—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative processes are filed with the State registry of birth records for comparison with information in the State case registry.''.

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting '', and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other common elements as determined by such designee'' before the semicolon.

(c) CONFORMING AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking ''a simple civil process for voluntarily acknowledging paternity and''.

**SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.**

Section 454(23) (42 U.S.C. 654(23)) is amended by inserting ''and will publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support by means the State deems appropriate'' before the semicolon.

**SEC. 333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.**

Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), and 313(a) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting ''; and''; and

(3) by inserting after paragraph (28) the following new paragraph:

''(29) provide that the State agency responsible for administering the State plan—

''(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under part A or the State program under title XIX is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of

the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to such good cause exceptions, taking into account the best interests of the child, as the State may establish through the State agency, or at the option of the State, through the State agencies administering the State programs funded under part A and title XIX;

''(B) shall require the individual to supply additional necessary information and appear at interviews, hearings, and legal proceedings;

''(C) shall require the individual and the child to submit to genetic tests pursuant to judicial or administrative order;

''(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A or the State program under title XIX; and

''(E) shall promptly notify the individual and the State agency administering the State program funded under part A and the State agency administering the State program under title XIX of each such determination, and if noncooperation is determined, the basis therefore.''.

**Subtitle E—Program Administration and Funding**

**SEC. 341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.**

(a) DEVELOPMENT OF NEW SYSTEM.—The Secretary of Health and Human Services, in consultation with State directors of programs under part D of title IV of the Social Security Act, shall develop a new incentive system to replace, in a revenue neutral manner, the system under section 458 of such Act. The new system shall provide additional payments to any State based on such State's performance under such a program. Not later than June 1, 1996, the Secretary shall report on the new system to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM.—Section 458 (42 U.S.C. 658) is amended—

(1) in subsection (a), by striking ''aid to families with dependent children under a State plan approved under part A of this title'' and inserting ''assistance under a program funded under part A'';

(2) in subsection (b)(1)(A), by striking ''section 402(a)(26)'' and inserting ''section 408(a)(4)'';

(3) in subsections (b) and (c)—

(A) by striking ''AFDC collections'' each place it appears and inserting ''title IV–A collections'', and

(B) by striking ''non-AFDC collections'' each place it appears and inserting ''non-title IV–A collections''; and

(4) in subsection (c), by striking ''combined AFDC/non-AFDC administrative costs'' both places it appears and inserting ''combined title IV–A/non-title IV–A administrative costs''.

(c) CALCULATION OF IV–D PATERNITY ESTABLISHMENT PERCENTAGE.—

(1) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking ''75'' and inserting ''90''.

(2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subparagraph:

''(B) for a State with a paternity establishment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage of the State for the immediately preceding fiscal year plus 2 percentage points;''.

(3) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter preceding clause (i)—

(A) by striking ''paternity establishment percentage'' and inserting ''IV–D paternity establishment percentage''; and

(B) by striking ''(or all States, as the case may be)''.

(4) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended by adding at the end the following new sentence: ''In meeting the 90 percent paternity establishment requirement, a State may calculate either the paternity establishment rate of cases in the program funded under this part or the paternity establishment rate of all out-of-wedlock births in the State.''.

(5) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is amended—

(A) by striking subparagraph (A) and redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(B) in subparagraph (A) (as so redesignated), by striking ''the percentage of children born out-of-wedlock in a State'' and inserting ''the percentage of children in a State who are born out of wedlock or for whom support has not been established''; and

(C) in subparagraph (B) (as so redesignated) by inserting ''and securing support'' before the period.

(d) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) IN GENERAL.—The system developed under subsection (a) and the amendments made by subsection (b) shall become effective on October 1, 1997, except to the extent provided in subparagraph (B).

(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act, as in effect on the day before the date of the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years before fiscal year 1999.

(2) PENALTY REDUCTIONS.—The amendments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this Act.

**SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.**

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

(1) in paragraph (14), by striking ''(14)'' and inserting ''(14)(A)'';

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

''(15) provide for—

''(A) a process for annual reviews of and reports to the Secretary on the State program operated under the State plan approved under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which the program is operated in compliance with this part; and

''(B) a process of extracting from the automated data processing system required by paragraph (16) and transmitting to the Secretary data and calculations concerning the levels of accomplishment (and rates of improvement) with respect to applicable performance indicators (including IV–D paternity establishment percentages to the extent necessary for purposes of sections 452(g) and 458.''.

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended to read as follows:

''(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of subsection (g) of this section and section 458;

''(B) review annual reports submitted pursuant to section 454(15)(A) and, as appropriate, provide to the State comments, recommendations for additional or alternative corrective actions, and technical assistance; and

''(C) conduct audits, in accordance with the Government auditing standards of the Comptroller General of the United States—

''(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet the requirements of this part concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used in calculating performance indicators under subsection (g) of this section and section 458;

''(ii) of the adequacy of financial management of the State program operated under the State plan approved under this part, including assessments of—

''(I) whether Federal and other funds made available to carry out the State program are being appropriately expended, and are properly and fully accounted for; and

''(II) whether collections and disbursements of support payments are carried out correctly and are fully accounted for; and

''(iii) for such other purposes as the Secretary may find necessary;''.

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning 12 months or more after the date of the enactment of this Act.

**SEC. 343. REQUIRED REPORTING PROCEDURES.**

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting '', and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes) to be applied in following such procedures'' before the semicolon.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(a), 313(a), and 333 of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (28);

(2) by striking the period at the end of paragraph (29) and inserting ''; and''; and

(3) by adding after paragraph (29) the following new paragraph:

''(30) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part.''.

**SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.**

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) by striking '', at the option of the State,'';

(B) by inserting ''and operation by the State agency'' after ''for the establishment'';

(C) by inserting ''meeting the requirements of section 454A'' after ''information retrieval system'';

(D) by striking ''in the State and localities thereof, so as (A)'' and inserting ''so as'';

(E) by striking ''(i)''; and

(F) by striking ''(including'' and all that follows and inserting a semicolon.

(2) AUTOMATED DATA PROCESSING.—Part D of title IV (42 U.S.C. 651–669) is amended by inserting after section 454 the following new section:

**''SEC. 454A. AUTOMATED DATA PROCESSING.**

''(a) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency administering the State program under this part shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section with the frequency and in the manner required by or under this part.

''(b) PROGRAM MANAGEMENT.—The automated system required by this section shall perform such functions as the Secretary may specify relating to management of the State program under this part, including—

''(1) controlling and accounting for use of Federal, State, and local funds in carrying out the program; and

''(2) maintaining the data necessary to meet Federal reporting requirements under this part on a timely basis.

''(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive payments and penalty adjustments required by sections 452(g) and 458, the State agency shall—

''(1) use the automated system—

''(A) to maintain the requisite data on State performance with respect to paternity establishment and child support enforcement in the State; and

''(B) to calculate the IV–D paternity establishment percentage for the State for each fiscal year; and

''(2) have in place systems controls to ensure the completeness and reliability of, and ready access to, the data described in paragraph (1)(A), and the accuracy of the calculations described in paragraph (1)(B).

''(d) INFORMATION INTEGRITY AND SECURITY.—The State agency shall have in effect safeguards on the integrity, accuracy, and completeness of, access to, and use of data in the automated system required by this section, which shall include the following (in addition to such other safeguards as the Secretary may specify in regulations):

''(1) POLICIES RESTRICTING ACCESS.—Written policies concerning access to data by State agency personnel, and sharing of data with other persons, which—

''(A) permit access to and use of data only to the extent necessary to carry out the State program under this part; and

''(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data.

''(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies described in paragraph (1).

''(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanisms, to guard against and promptly identify unauthorized access or use.

''(4) TRAINING AND INFORMATION.—Procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use confidential program data are informed of applicable requirements and penalties (including those in section 6103 of the Internal Revenue Code of 1986), and are adequately trained in security procedures.

''(5) PENALTIES.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.''.

(3) REGULATIONS.—The Secretary of Health and Human Services shall prescribe final regulations for implementation of section 454A of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by section 303(a)(1) of this Act, is amended to read as follows:

''(24) provide that the State will have in effect an automated data processing and information retrieval system—

''(A) by October 1, 1997, which meets all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988, and

''(B) by October 1, 1999, which meets all requirements of this part enacted on or before the date of the enactment of the Bipartisan Welfare Reform Act of 1996, except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 344(a)(3) of the Bipartisan Welfare Reform Act of 1996;''.

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) IN GENERAL.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(A) in paragraph (1)(B)—

(i) by striking ''90 percent'' and inserting ''the percent specified in paragraph (3)'';

(ii) by striking ''so much of''; and

(iii) by striking ''which the Secretary'' and all that follows and inserting '', and''; and

(B) by adding at the end the following new paragraph:

''(3)(A) The Secretary shall pay to each State, for each quarter in fiscal years 1996 and 1997, 90 percent of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) (as in effect on September 30, 1995) but limited to the amount approved for States in the advance planning documents of such States submitted on or before May 1, 1995.

''(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

''(ii) The percentage specified in this clause is 80 percent.''.

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limitation determined for the State by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security Act, which shall take into account—

(i) the relative size of State caseloads under such part; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

(c) CONFORMING AMENDMENT.—Section 123(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100–485) is repealed.

**SEC. 345. TECHNICAL ASSISTANCE.**

(a) FOR TRAINING OF FEDERAL AND STATE STAFF, RESEARCH AND DEMONSTRATION PROGRAMS, AND SPECIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFICANCE.—Section 452 (42 U.S.C. 652) is amended by adding at the end the following new subsection:

''(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for—

''(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

''(2) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part.

The amount appropriated under this subsection shall remain available until expended.''.

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 316 of this Act, is amended by adding at the end the following new subsection:

''(o) RECOVERY OF COSTS.—Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 2 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the immediately preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the 3rd calendar quarter following the end of such preceding fiscal year), to cover costs incurred by the Secretary for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees.''.

**SEC. 346. REPORTS AND DATA COLLECTION BY THE SECRETARY.**

(a) ANNUAL REPORT TO CONGRESS.—

(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking ''this part;'' and inserting ''this part, including—''; and

(B) by adding at the end the following new clauses:

''(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under this part;

''(ii) the cost to the States and to the Federal Government of so furnishing the services; and

''(iii) the number of cases involving families—

''(I) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and

''(II) with respect to whom a child support payment was received in the month;''.

(2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C)) is amended—

(A) in the matter preceding clause (i)—

(i) by striking ''with the data required under each clause being separately stated for cases'' and inserting ''separately stated for (1) case'';

(ii) by striking ''cases where the child was formerly receiving'' and inserting ''or formerly received'';

(iii) by inserting ''or 1912'' after ''471(a)(17)''; and

(iv) by inserting ''(2)'' before ''all other'';

(B) in each of clauses (i) and (ii), by striking ‘‘, and the total amount of such obligations’’;

(C) in clause (iii), by striking ‘‘described in’’ and all that follows and inserting ‘‘in which support was collected during the fiscal year;’’;

(D) by striking clause (iv); and

(E) by redesignating clause (v) as clause (vii), and inserting after clause (iii) the following new clauses:

‘‘(iv) the total amount of support collected during such fiscal year and distributed as current support;

‘‘(v) the total amount of support collected during such fiscal year and distributed as arrearages;

‘‘(vi) the total amount of support due and unpaid for all fiscal years; and’’.

(3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G)) is amended by striking ‘‘on the use of Federal courts and’’.

(4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended—

(A) in subparagraph (H), by striking ‘‘and’’;

(B) in subparagraph (I), by striking the period and inserting ‘‘; and’’; and

(C) by inserting after subparagraph (I) the following new subparagraph:

‘‘(J) compliance, by State, with the standards established pursuant to subsections (h) and (i).’’.

(5) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is amended by striking all that follows subparagraph (J), as added by paragraph (4).

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to fiscal year 1996 and succeeding fiscal years.

## Subtitle F—Establishment and Modification of Support Orders

### SEC. 351. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.

Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

‘‘(10) REVIEW AND ADJUSTMENT OF SUPPORT ORDERS UPON REQUEST.—Procedures under which the State shall review and adjust each support order being enforced under this part upon the request of either parent or the State if there is an assignment. Such procedures shall provide the following:

‘‘(A) IN GENERAL.—

‘‘(i) 3-YEAR CYCLE.—Except as provided in subparagraphs (B) and (C), the State shall review and, as appropriate, adjust the support order every 3 years, taking into account the best interests of the child involved.

‘‘(ii) METHODS OF ADJUSTMENT.—The State may elect to review and, if appropriate, adjust an order pursuant to clause (i) by—

‘‘(I) reviewing and, if appropriate, adjusting the order in accordance with the guidelines established pursuant to section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with the guidelines; or

‘‘(II) applying a cost-of-living adjustment to the order in accordance with a formula developed by the State and permit either party to contest the adjustment, within 30 days after the date of the notice of the adjustment, by making a request for review and, if appropriate, adjustment of the order in accordance with the child support guidelines established pursuant to section 467(a).

‘‘(iii) NO PROOF OF CHANGE IN CIRCUMSTANCES NECESSARY.—Any adjustment under this subparagraph (A) shall be made without a requirement for proof or showing of a change in circumstances.

‘‘(B) AUTOMATED METHOD.—The State may use automated methods (including automated comparisons with wage or State income tax data) to identify orders eligible for review, conduct the review, identify orders eligible for adjustment, and apply the appropriate adjustment to the orders eligible for adjustment under the threshold established by the State.

‘‘(C) REQUEST UPON SUBSTANTIAL CHANGE IN CIRCUMSTANCES.—The State shall, at the request of either parent subject to such an order or of any State child support enforcement agency, review and, if appropriate, adjust the order in accordance with the guidelines established pursuant to section 467(a) based upon a substantial change in the circumstances of either parent.

‘‘(D) NOTICE OF RIGHT TO REVIEW.—The State shall provide notice not less than once every 3 years to the parents subject to such an order informing them of their right to request the State to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order.’’.

### SEC. 352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681b) is amended by adding at the end the following new paragraphs:

‘‘(4) In response to a request by the head of a State or local child support enforcement agency (or a State or local government official authorized by the head of such an agency), if the person making the request certifies to the consumer reporting agency that—

‘‘(A) the consumer report is needed for the purpose of establishing an individual’s capacity to make child support payments or determining the appropriate level of such payments;

‘‘(B) the paternity of the consumer for the child to which the obligation relates has been established or acknowledged by the consumer in accordance with State laws under which the obligation arises (if required by those laws);

‘‘(C) the person has provided at least 10 days’ prior notice to the consumer whose report is requested, by certified or registered mail to the last known address of the consumer, that the report will be requested; and

‘‘(D) the consumer report will be kept confidential, will be used solely for a purpose described in subparagraph (A), and will not be used in connection with any other civil, administrative, or criminal proceeding, or for any other purpose.

‘‘(5) To an agency administering a State plan under section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award.’’.

### SEC. 353. NONLIABILITY FOR FINANCIAL INSTITUTIONS PROVIDING FINANCIAL RECORDS TO STATE CHILD SUPPORT ENFORCEMENT AGENCIES IN CHILD SUPPORT CASES.

(a) IN GENERAL.—Notwithstanding any other provision of Federal or State law, a financial institution shall not be liable under any Federal or State law to any person for disclosing any financial record of an individual to a State child support enforcement agency attempting to establish, modify, or enforce a child support obligation of such individual.

(b) PROHIBITION OF DISCLOSURE OF FINANCIAL RECORD OBTAINED BY STATE CHILD SUPPORT ENFORCEMENT AGENCY.—A State child support enforcement agency which obtains a financial record of an individual from a financial institution pursuant to subsection (a) may disclose such financial record only for the purpose of, and to the extent necessary in, establishing, modifying, or enforcing a child support obligation of such individual.

(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLOSURE.—

(1) DISCLOSURE BY STATE OFFICER OR EMPLOYEE.—If any person knowingly, or by reason of negligence, discloses a financial record of an individual in violation of subsection (b), such individual may bring a civil action for damages against such person in a district court of the United States.

(2) NO LIABILITY FOR GOOD FAITH BUT ERRONEOUS INTERPRETATION.—No liability shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(3) DAMAGES.—In any action brought under paragraph (1), upon a finding of liability on the part of the defendant, the defendant shall be liable to the plaintiff in an amount equal to the sum of—

(A) the greater of—

(i) $1,000 for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; or

(ii) the sum of—

(I) the actual damages sustained by the plaintiff as a result of such unauthorized disclosure; plus

(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(B) the costs (including attorney’s fees) of the action.

(d) DEFINITIONS.—For purposes of this section—

(1) FINANCIAL INSTITUTION.—The term ‘‘financial institution’’ means—

(A) a depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) an institution-affiliated party, as defined in section 3(u) of such Act (12 U.S.C. 1813(v));

(C) any Federal credit union or State credit union, as defined in section 101 of the Federal Credit Union Act (12 U.S.C. 1752), including an institution-affiliated party of such a credit union, as defined in section 206(r) of such Act (12 U.S.C. 1786(r)); and

(D) any benefit association, insurance company, safe deposit company, money-market mutual fund, or similar entity authorized to do business in the State.

(2) FINANCIAL RECORD.—The term ‘‘financial record’’ has the meaning given such term in section 1101 of the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401).

(3) STATE CHILD SUPPORT ENFORCEMENT AGENCY.—The term ‘‘State child support enforcement agency’’ means a State agency which administers a State program for establishing and enforcing child support obligations.

## Subtitle G—Enforcement of Support Orders

### SEC. 361. INTERNAL REVENUE SERVICE COLLECTION OF ARREARAGES.

(a) COLLECTION OF FEES.—Section 6305(a) of the Internal Revenue Code of 1986 (relating to collection of certain liability) is amended—

(1) by striking ‘‘and’’ at the end of paragraph (3);

(2) by striking the period at the end of paragraph (4) and inserting ‘‘, and’’;

(3) by adding at the end the following new paragraph:

‘‘(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor.’’; and

(4) by striking ‘‘Secretary of Health, Education, and Welfare’’ each place it appears and inserting ‘‘Secretary of Health and Human Services’’.

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

**SEC. 362. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.**

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—Section 459 (42 U.S.C. 659) is amended to read as follows:

**"SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.**

''(a) CONSENT TO SUPPORT ENFORCEMENT.—Notwithstanding any other provision of law (including section 207 of this Act and section 5301 of title 38, United States Code), effective January 1, 1975, moneys (the entitlement to which is based upon remuneration for employment) due from, or payable by, the United States or the District of Columbia (including any agency, subdivision, or instrumentality thereof) to any individual, including members of the Armed Forces of the United States, shall be subject, in like manner and to the same extent as if the United States or the District of Columbia were a private person, to withholding in accordance with State law enacted pursuant to subsections (a)(1) and (b) of section 466 and regulations of the Secretary under such subsections, and to any other legal process brought, by a State agency administering a program under a State plan approved under this part or by an individual obligee, to enforce the legal obligation of the individual to provide child support or alimony.

''(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—With respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or any other order or process to enforce support obligations against an individual (if the order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), each governmental entity specified in subsection (a) shall be subject to the same requirements as would apply if the entity were a private person, except as otherwise provided in this section.

''(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

''(1) DESIGNATION OF AGENT.—The head of each agency subject to this section shall—

''(A) designate an agent or agents to receive orders and accept service of process in matters relating to child support or alimony; and

''(B) annually publish in the Federal Register the designation of the agent or agents, identified by title or position, mailing address, and telephone number.

''(2) RESPONSE TO NOTICE OR PROCESS.—If an agent designated pursuant to paragraph (1) of this subsection receives notice pursuant to State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatory, with respect to an individual's child support or alimony payment obligations, the agent shall—

''(A) as soon as possible (but not later than 15 days) thereafter, send written notice of the notice or service (together with a copy of the notice or service) to the individual at the duty station or last-known home address of the individual;

''(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to such State procedures, comply with all applicable provisions of section 466; and

''(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatory, respond to the order, process, or interrogatory.

''(d) PRIORITY OF CLAIMS.—If a governmental entity specified in subsection (a) receives notice or is served with process, as provided in this section, concerning amounts owed by an individual to more than 1 person—

''(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

''(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by section 466(b) and the regulations prescribed under such section; and

''(3) such moneys as remain after compliance with paragraphs (1) and (2) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served.

''(e) NO REQUIREMENT TO VARY PAY CYCLES.—A governmental entity that is affected by legal process served for the enforcement of an individual's child support or alimony payment obligations shall not be required to vary its normal pay and disbursement cycle in order to comply with the legal process.

''(f) RELIEF FROM LIABILITY.—

''(1) Neither the United States, nor the government of the District of Columbia, nor any disbursing officer shall be liable with respect to any payment made from moneys due or payable from the United States to any individual pursuant to legal process regular on its face, if the payment is made in accordance with this section and the regulations issued to carry out this section.

''(2) No Federal employee whose duties include taking actions necessary to comply with the requirements of subsection (a) with regard to any individual shall be subject under any law to any disciplinary action or civil or criminal liability or penalty for, or on account of, any disclosure of information made by the employee in connection with the carrying out of such actions.

''(g) REGULATIONS.—Authority to promulgate regulations for the implementation of this section shall, insofar as this section applies to moneys due from (or payable by)—

''(1) the United States (other than the legislative or judicial branches of the Federal Government) or the government of the District of Columbia, be vested in the President (or the designee of the President);

''(2) the legislative branch of the Federal Government, be vested jointly in the President pro tempore of the Senate and the Speaker of the House of Representatives (or their designees), and

''(3) the judicial branch of the Federal Government, be vested in the Chief Justice of the United States (or the designee of the Chief Justice).

''(h) MONEYS SUBJECT TO PROCESS.—

''(1) IN GENERAL.—Subject to paragraph (2), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

''(A) consist of—

''(i) compensation paid or payable for personal services of the individual, whether the compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

''(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

''(I) under the insurance system established by title II;

''(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

''(III) as compensation for death under any Federal program;

''(IV) under any Federal program established to provide 'black lung' benefits; or

''(V) by the Secretary of Veterans Affairs as compensation for a service-connected disability paid by the Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if the former member has waived a portion of the retired or retainer pay in order to receive such compensation; and

''(iii) worker's compensation benefits paid under Federal or State law but

''(B) do not include any payment—

''(i) by way of reimbursement or otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

''(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(5) of such title) as necessary for the efficient performance of duty.

''(2) CERTAIN AMOUNTS EXCLUDED.—In determining the amount of any moneys due from, or payable by, the United States to any individual, there shall be excluded amounts which—

''(A) are owed by the individual to the United States;

''(B) are required by law to be, and are, deducted from the remuneration or other payment involved, including Federal employment taxes, and fines and forfeitures ordered by court-martial;

''(C) are properly withheld for Federal, State, or local income tax purposes, if the withholding of the amounts is authorized or required by law and if amounts withheld are not greater than would be the case if the individual claimed all dependents to which he was entitled (the withholding of additional amounts pursuant to section 3402(i) of the Internal Revenue Code of 1986 may be permitted only when the individual presents evidence of a tax obligation which supports the additional withholding);

''(D) are deducted as health insurance premiums;

''(E) are deducted as normal retirement contributions (not including amounts deducted for supplementary coverage); or

''(F) are deducted as normal life insurance premiums from salary or other remuneration for employment (not including amounts deducted for supplementary coverage).

''(i) DEFINITIONS.—For purposes of this section—

''(1) UNITED STATES.—The term 'United States' includes any department, agency, or instrumentality of the legislative, judicial, or executive branch of the Federal Government, the United States Postal Service, the Postal Rate Commission, any Federal corporation created by an Act of Congress that is wholly owned by the Federal Government, and the governments of the territories and possessions of the United States.

''(2) CHILD SUPPORT.—The term 'child support', when used in reference to the legal obligations of an individual to provide such support, means amounts required to be paid under a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages or reimbursement, and which may include other related costs and

fees, interest and penalties, income withholding, attorney's fees, and other relief.

''(3) ALIMONY.—

''(A) IN GENERAL.—The term 'alimony', when used in reference to the legal obligations of an individual to provide the same, means periodic payments of funds for the support and maintenance of the spouse (or former spouse) of the individual, and (subject to and in accordance with State law) includes separate maintenance, alimony pendente lite, maintenance, and spousal support, and includes attorney's fees, interest, and court costs when and to the extent that the same are expressly made recoverable as such pursuant to a decree, order, or judgment issued in accordance with applicable State law by a court of competent jurisdiction.

''(B) EXCEPTIONS.—Such term does not include—

''(i) any child support; or

''(ii) any payment or transfer of property or its value by an individual to the spouse or a former spouse of the individual in compliance with any community property settlement, equitable distribution of property, or other division of property between spouses or former spouses.

''(4) PRIVATE PERSON.—The term 'private person' means a person who does not have sovereign or other special immunity or privilege which causes the person not to be subject to legal process.

''(5) LEGAL PROCESS.—The term 'legal process' means any writ, order, summons, or other similar process in the nature of garnishment—

''(A) which is issued by—

''(i) a court or an administrative agency of competent jurisdiction in any State, territory, or possession of the United States;

''(ii) a court or an administrative agency of competent jurisdiction in any foreign country with which the United States has entered into an agreement which requires the United States to honor the process; or

''(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to State or local law; and

''(B) which is directed to, and the purpose of which is to compel, a governmental entity which holds moneys which are otherwise payable to an individual to make a payment from the moneys to another party in order to satisfy a legal obligation of the individual to provide child support or make alimony payments.''.

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking ''sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)'' and inserting ''section 459 of the Social Security Act (42 U.S.C. 659)''.

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

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

(B) by striking the period at the end of subparagraph (C) and inserting ''; and''; and

(C) by adding after subparagraph (C) the following: new subparagraph:

''(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term 'State' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.''.

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting ''or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p)),'' before ''which—'';

(B) in subparagraph (B)(i), by striking ''(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))'' and inserting ''(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 662(i)(2)))''; and

(C) in subparagraph (B)(ii), by striking ''(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))'' and inserting ''(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 662(i)(3)))''.

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting ''(OR FOR BENEFIT OF)'' before ''SPOUSE OR''; and

(B) in paragraph (1), in the 1st sentence, by inserting ''(or for the benefit of such spouse or former spouse to a State disbursement unit established pursuant to section 454B of the Social Security Act or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)'' before ''in an amount sufficient''.

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

''(j) RELATIONSHIP TO OTHER LAWS.—In any case involving an order providing for payment of child support (as defined in section 459(i)(2) of the Social Security Act) by a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of such Act.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

**SEC. 363. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.**

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

(B) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of that member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit; or

(ii) with respect to whom the Secretary concerned makes a determination that the member's residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service established under section 453 of the Social Security Act.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted.

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

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

(A) The term ''court'' has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term ''child support'' has the meaning given such term in section 459(i) of the Social Security Act (42 U.S.C. 659(i)).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, as amended by section 362(c)(4) of this Act, is amended—

(A) by redesignating subsections (i) and (j) as subsections (j) and (k), respectively; and

(B) by inserting after subsection (h) the following new subsection:

''(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.''.

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the 1st sentence the following new sentence: ''In the case of a spouse or former spouse who, pursuant to section 408(a)(4) of the Social Security Act, assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.''.

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

''(6) In the case of a court order for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court order shall apply to payment

of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.''.

(4) PAYROLL DEDUCTIONS.—The Secretary of Defense shall begin payroll deductions within 30 days after receiving notice of withholding, or for the 1st pay period that begins after such 30-day period.

**SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.**

Section 466 (42 U.S.C. 666), as amended by section 321 of this Act, is amended by adding at the end the following new subsection:

''(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In order to satisfy section 454(20)(A), each State must have in effect—

''(1)(A) the Uniform Fraudulent Conveyance Act of 1981;

''(B) the Uniform Fraudulent Transfer Act of 1984; or

''(C) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

''(2) procedures under which, in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

''(A) seek to void such transfer; or

''(B) obtain a settlement in the best interests of the child support creditor.''.

**SEC. 365. WORK REQUIREMENT FOR PERSONS OWING PAST-DUE CHILD SUPPORT.**

(a) IN GENERAL.—Section 466(a) of the Social Security Act (42 U.S.C. 666(a)), as amended by sections 315, 317(a), and 323 of this Act, is amended by adding at the end the following new paragraph:

''(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

''(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to seek a court order that requires the individual to—

''(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

''(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

''(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term 'past-due support' means the amount of a delinquency, determined under a court order, or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.''.

(b) CONFORMING AMENDMENT.—The flush paragraph at the end of section 466(a) (42 U.S.C.666(a)) is amended by striking ''and (7)'' and inserting ''(7), and (15)''.

**SEC. 366. DEFINITION OF SUPPORT ORDER.**

Section 453 (42 U.S.C. 653) as amended by sections 316 and 345(b) of this Act, is amended by adding at the end the following new subsection:

''(p) SUPPORT ORDER DEFINED.—As used in this part, the term 'support order' means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing State, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.''.

**SEC. 367. REPORTING ARREARAGES TO CREDIT BUREAUS.**

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

''(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—

''(A) IN GENERAL.—Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any noncustodial parent who is delinquent in the payment of support, and the amount of overdue support owed by such parent.

''(B) SAFEGUARDS.—Procedures ensuring that, in carrying out subaragraph (A), information with respect to a noncustodial parent is reported—

''(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

''(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency (as so defined).''.

**SEC. 368. LIENS.**

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended to read as follows:

''(4) LIENS.—Procedures under which—

''(A) liens arise by operation of law against real and personal property for amounts of overdue support owed by a noncustodial parent who resides or owns property in the State; and

''(B) the State accords full faith and credit to liens described in subparagraph (A) arising in another State, without registration of the underlying order.''.

**SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, and 365 of this Act, is amended by adding at the end the following:

''(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.''.

**SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.**

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by section 345 of this Act, is amended by adding at the end the following new subsection:

''(k)(1) If the Secretary receives a certification by a State agency in accordance with the requirements of section 454(31) that an individual owes arrearages of child support in an amount exceeding $5,000, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 370(b) of the Bipartisan Welfare Reform Act of 1996.

''(2) The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.''.

(2) STATE CASE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, and 343(b) of this Act, is amended—

(A) by striking ''and'' at the end of paragraph (29);

(B) by striking the period at the end of paragraph (30) and inserting ''; and''; and

(C) by adding after paragraph (30) the following new paragraph:

''(31) provide that the State agency will have in effect a procedure for certifying to the Secretary, for purposes of the procedure under section 452(k), determinations that individuals owe arrearages of child support in an amount exceeding $5,000, under which procedure—

''(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

''(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.''.

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State shall, upon certification by the Secretary of Health and Human Services transmitted under section 452(k) of the Social Security Act, refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

**SEC. 371. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.**

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS.—Part D of title IV, as amended by section 362(a) of this Act, is amended by adding after section 459 the following new section:

**''SEC. 459A. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.**

''(a) AUTHORITY FOR DECLARATIONS.—

''(1) DECLARATION.—The Secretary of State, with the concurrence of the Secretary of Health and Human Services, is authorized to declare any foreign country (or a political subdivision thereof) to be a foreign reciprocating country if the foreign country has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligees who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

''(2) REVOCATION.—A declaration with respect to a foreign country made pursuant to paragraph (1) may be revoked if the Secretaries of State and Health and Human Services determine that—

''(A) the procedures established by the foreign nation regarding the establishment and enforcement of duties of support have been so changed, or the foreign nation's implementation of such procedures is so unsatisfactory, that such procedures do not meet the criteria for such a declaration; or

''(B) continued operation of the declaration is not consistent with the purposes of this part.

''(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with an international agreement or corresponding foreign declaration, or on a unilateral basis.

''(b) STANDARDS FOR FOREIGN SUPPORT ENFORCEMENT PROCEDURES.—

''(1) MANDATORY ELEMENTS.—Child support enforcement procedures of a foreign country

which may be the subject of a declaration pursuant to subsection (a)(1) shall include the following elements:

''(A) The foreign country (or political subdivision thereof) has in effect procedures, available to residents of the United States—

''(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

''(ii) for enforcement of orders to provide support to children and custodial parents, including procedures for collection and appropriate distribution of support payments under such orders.

''(B) The procedures described in subparagraph (A), including legal and administrative assistance, are provided to residents of the United States at no cost.

''(C) An agency of the foreign country is designated as a Central Authority responsible for—

''(i) facilitating child support enforcement in cases involving residents of the foreign nation and residents of the United States; and

''(ii) ensuring compliance with the standards established pursuant to this subsection.

''(2) ADDITIONAL ELEMENTS.—The Secretary of Health and Human Services and the Secretary of State, in consultation with the States, may establish such additional standards as may be considered necessary to further the purposes of this section.

''(c) DESIGNATION OF UNITED STATES CENTRAL AUTHORITY.—It shall be the responsibility of the Secretary of Health and Human Services to facilitate child support enforcement in cases involving residents of the United States and residents of foreign nations that are the subject of a declaration under this section, by activities including—

''(1) development of uniform forms and procedures for use in such cases;

''(2) notification of foreign reciprocating countries of the State of residence of individuals sought for support enforcement purposes, on the basis of information provided by the Federal Parent Locator Service; and

''(3) such other oversight, assistance, and coordination activities as the Secretary may find necessary and appropriate.

''(d) EFFECT ON OTHER LAWS.—States may enter into reciprocal arrangements for the establishment and enforcement of child support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a), to the extent consistent with Federal law.''.

(b) STATE PLAN REQUIREMENT.—Section 454 (42 U.S.C. 654), as amended by sections 301(b), 303(a), 312(b), 313(a), 333, 343(b), and 370(a)(2) of this Act, is amended—

(1) by striking ''and'' at the end of paragraph (30);

(2) by striking the period at the end of paragraph (31) and inserting ''; and''; and

(3) by adding after paragraph (31) the following new paragraph:

''(32)(A) provide that any request for services under this part by a foreign reciprocating country or a foreign country with which the State has an arrangement described in section 459A(d)(2) shall be treated as a request by a State;

''(B) provide, at State option, notwithstanding paragraph (4) or any other provision of this part, for services under the plan for enforcement of a spousal support order not described in paragraph (4)(B) entered by such a country (or subdivision); and

''(C) provide that no applications will be required from, and no costs will be assessed for such services against, the foreign reciprocating country or foreign obligee (but costs may at State option be assessed against the obligor).''.

**SEC. 372. FINANCIAL INSTITUTION DATA MATCHES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, and 369 of this Act, is amended by adding at the end the following new paragraph:

''(17) FINANCIAL INSTITUTION DATA MATCHES.—

''(A) IN GENERAL.—Procedures under which the State agency shall enter into agreements with financial institutions doing business in the State—

''(i) to develop and operate, in coordination with such financial institutions, a data match system, using automated data exchanges to the maximum extent feasible, in which each such financial institution is required to provide for each calendar quarter the name, record address, social security number or other taxpayer identification number, and other identifying information for each noncustodial parent who maintains an account at such institution and who owes past-due support, as identified by the State by name and social security number or other taxpayer identification number; and

''(ii) in response to a notice of lien or levy, encumber or surrender, as the case may be, assets held by such institution on behalf of any noncustodial parent who is subject to a child support lien pursuant to paragraph (4).

''(B) REASONABLE FEES.—The State agency may pay a reasonable fee to a financial institution for conducting the data match provided for in subparagraph (A)(i), not to exceed the actual costs incurred by such financial institution.

''(C) LIABILITY.—A financial institution shall not be liable under any Federal or State law to any person—

''(i) for any disclosure of information to the State agency under subparagraph (A)(i);

''(ii) for encumbering or surrendering any assets held by such financial institution in response to a notice of lien or levy issued by the State agency as provided for in subparagraph (A)(ii); or

''(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

''(D) DEFINITIONS.—For purposes of this paragraph—

''(i) FINANCIAL INSTITUTION.—The term 'financial institution' means any Federal or State commercial savings bank, including savings association or cooperative bank, Federal- or State-chartered credit union, benefit association, insurance company, safe deposit company, money-market mutual fund, or any similar entity authorized to do business in the State; and

''(ii) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit account, or money-market mutual fund account.''.

**SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, and 372 of this Act, is amended by adding at the end the following new paragraph:

''(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Procedures under which, at the State's option, any child support order enforced under this part with respect to a child of minor parents, if the custodial parents of such child is receiving assistance under the State program under part A, shall be enforceable, jointly and severally, against the parents of the noncustodial parents of such child.''.

**SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.**

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 523(a) of title 11, United States Code, is amended—

(1) in paragraph (16) by striking the period at the end and inserting ''; or'',

(2) by adding at the end the following:

''(17) to a State or municipality for assistance provided by such State or municipality under a State program funded under section 403 of the Social Security Act to the extent that such assistance is provided for the support of a child of the debtor.'', and

(3) in paragraph (5), by inserting '' or section 408'' after ''section 402(a)(21).

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) of the Social Security Act (42 U.S.C. 656(b)) is amended to read as follows:

''(b) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) to a State (as defined in such section) or municipality (as defined in such section) for assistance provided by such State or municipality under a State program funded under section 403 is not dischargeable under section 727, 1141, 1218(a), 1218(b), or 1328(b) of title 11 of the United States Code to the extent that such assistance is provided for the support of a child of the debtor (as defined in such section).''.

(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title 11 of the United States Code after the effective date of this section.

**Subtitle H—Medical Support**

**SEC. 376. CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.**

(a) IN GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking ''issued by a court of competent jurisdiction'';

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following:

''if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued through an administrative process established under State law and has the force and effect of law under applicable State law.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the 1st plan year beginning on or after January 1, 1997, if—

(A) during the period after the date before the date of the enactment of this Act and before such 1st plan year, the plan is operated in accordance with the requirements of the amendments made by this section; and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such 1st plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

**SEC. 377. ENFORCEMENT OF ORDERS FOR HEALTH CARE COVERAGE.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 315, 317(a), 323, 365, 369, 372, and 373 of this Act, is amended by adding at the end the following new paragraph:

''(19) HEALTH CARE COVERAGE.—Procedures under which all child support orders enforced pursuant to this part shall include a provision for the health care coverage of the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides health care coverage, the State agency shall transfer notice of the provision to the employer, which notice shall operate

to enroll the child in the noncustodial parent's health plan, unless the noncustodial parent contests the notice.''.

**Subtitle I—Enhancing Responsibility and Opportunity for Non-Residential Parents**

**SEC. 381. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.**

Part D of title IV (42 U.S.C. 651–669) is amended by adding at the end the following:

**''SEC. 469A. GRANTS TO STATES FOR ACCESS AND VISITATION PROGRAMS.**

''(a) IN GENERAL.—The Administration for Children and Families shall make grants under this section to enable States to establish and administer programs to support and facilitate noncustodial parents' access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, development of parenting plans, visitation enforcement (including monitoring, supervision and neutral drop-off and pickup), and development of guidelines for visitation and alternative custody arrangements.

''(b) AMOUNT OF GRANT.—The amount of the grant to be made to a State under this section for a fiscal year shall be an amount equal to the lesser of—

''(1) 90 percent of State expenditures during the fiscal year for activities described in subsection (a); or

''(2) the allotment of the State under subsection (c) for the fiscal year.

''(c) ALLOTMENTS TO STATES.—

''(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same ratio to the amount appropriated for grants under this section for the fiscal year as the number of children in the State living with only 1 biological parent bears to the total number of such children in all States.

''(2) MINIMUM ALLOTMENT.—The Administration for Children and Families shall adjust allotments to States under paragraph (1) as necessary to ensure that no State is allotted less than—

''(A) $50,000 for fiscal year 1996 or 1997; or

''(B) $100,000 for any succeeding fiscal year.

''(d) NO SUPPLANTATION OF STATE EXPENDITURES FOR SIMILAR ACTIVITIES.—A State to which a grant is made under this section may not use the grant to supplant expenditures by the State for activities specified in subsection (a), but shall use the grant to supplement such expenditures at a level at least equal to the level of such expenditures for fiscal year 1995.

''(e) STATE ADMINISTRATION.—Each State to which a grant is made under this section—

''(1) may administer State programs funded with the grant, directly or through grants to or contracts with courts, local public agencies, or non-profit private entities;

''(2) shall not be required to operate such programs on a statewide basis; and

''(3) shall monitor, evaluate, and report on such programs in accordance with regulations prescribed by the Secretary.''.

**Subtitle J—Effect of Enactment**

**SEC. 391. EFFECTIVE DATES.**

(a) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) the provisions of this title requiring the enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon the date of the enactment of this Act.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or

(2) the effective date of laws enacted by the legislature of such State implementing such provisions,

but in no event later than the 1st day of the 1st calendar quarter beginning after the close of the 1st regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

(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 is unable to so comply without amending the State constitution until the earlier of—

(1) 1 year after the effective date of the necessary State constitutional amendment; or

(2) 5 years after the date of the enactment of this Act.

**TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS**

**SEC. 400. STATEMENTS OF NATIONAL POLICY CONCERNING WELFARE AND IMMIGRATION.**

The Congress makes the following statements concerning national policy with respect to welfare and immigration:

(1) Self-sufficiency has been a basic principle of United States immigration law since this country's earliest immigration statutes.

(2) It continues to be the immigration policy of the United States that—

(A) aliens within the nation's borders not depend on public resources to meet their needs, but rather rely on their own capabilities and the resources of their families, their sponsors, and private organizations, and

(B) the availability of public benefits not constitute an incentive for immigration to the United States.

(3) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.

(4) Current eligibility rules for public assistance and unenforceable financial support agreements have proved wholly incapable of assuring that individual aliens not burden the public benefits system.

(5) It is a compelling government interest to enact new rules for eligibility and sponsorship agreements in order to assure that aliens be self-reliant in accordance with national immigration policy.

(6) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.

(7) With respect to the State authority to make determinations concerning the eligibility of qualified aliens for public benefits in this title, a State that chooses to follow the Federal classification in determining the eligibility of such aliens for public assistance shall be considered to have chosen the least restrictive means available for achieving the compelling governmental interest of assuring that aliens be self-reliant in accordance with national immigration policy.

**Subtitle A—Eligibility for Federal Benefits**

**SEC. 401. ALIENS WHO ARE NOT QUALIFIED ALIENS INELIGIBLE FOR FEDERAL PUBLIC BENEFITS.**

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is not a qualified alien (as defined in section 431) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—

(1) Subsection (a) shall not apply with respect to the following Federal public benefits:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(D) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(E) Programs for housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title V of the Housing Act of 1949, or any assistance under section 306C of the Consolidated Farm and Rural Development Act, to the extent that the alien is receiving such a benefit on the date of the enactment of this Act.

(F) Assistance or benefits under the National School Lunch Act or the Child Nutrition Act of 1966.

(2) Subsection (a) shall not apply to any benefit payable under title II of the Social Security Act to an alien who is lawfully present in the United States as determined by the Attorney General, to any benefit if nonpayment of such benefit would contravene an international agreement described in section 233 of the Social Security Act, to any benefit if nonpayment would be contrary to section 212(t) of the Social Security Act, or to any benefit payable under title II of the Social Security Act to which entitlement is based on an application filed in or before the month in which this Act becomes law.

(3) Subsection (a) shall not apply—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this title the term ''Federal public benefit'' means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of the United States or by appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of the United States or by appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Attorney General, after consultation with the Secretary of State.

**SEC. 402. LIMITED ELIGIBILITY OF CERTAIN QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.**

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in paragraph (2), an alien who is a qualified alien (as defined in section 431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—Paragraph (1) shall not apply to an alien until 5 years after the date—

(i) an alien is admitted to the United States as a refugee under section 217 of the Immigration and Nationality Act;

(ii) an alien is granted asylum under section 218 of such Act; or

(iii) an alien's deportation is withheld under section 213(h) of such Act.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 21 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—Paragraph (1) shall not apply to an alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—

(i) SSI.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(A), during the period beginning on the date of the enactment of this Act and ending on the date which is 1 year after such date of enactment, the Commissioner of Social Security shall redetermine the eligibility of any individual who is receiving benefits under such program as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) REDETERMINATION CRITERIA.— With respect to any redetermination under subclause (I), the Commissioner of Social Security shall apply the eligibility criteria for new applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the redetermination under subclause (I), shall only apply with respect to the benefits of an individual described in subclause (I) for months beginning on or after the date of the redetermination with respect to such individual.

(IV) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security shall notify an individual described in subclause (I) of the provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect to the specified Federal program described in paragraph (3)(B), during the period beginning on the date of enactment of this Act and ending on the date which is 1 year after the date of enactment, the State agency shall, at the time of the recertification, recertify the eligibility of any individual who is receiving benefits under such program as of the date of enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of this subsection.

(II) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provisions of this subsection and the recertification under subclause (I) shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of recertification, if on the date of enactment of this Act the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(E) FICA EXCEPTION.—Paragraph (1) shall not apply to an alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 21 different calendar quarters.

(F) EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—Paragraph (1) shall not apply—

(i) for up to 48 months if the alien can demonstrate that (I) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (III) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in this clause; and

(ii) for more than 48 months if the alien can demonstrate that any battery or cruelty under clause (i) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that need for such benefits has a substantial connection to such battery or cruelty.

(G) SSI DISABILITY EXCEPTION.—Paragraph (1) shall not apply to an alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(H) FOOD STAMP EXCEPTION FOR CHILDREN.—Paragraph (1) shall not apply to the eligibility of an alien who has not attained 18 years of age for the food stamp program under paragraph (3)(B).

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term ''specified Federal program'' means any of the following:

(A) SSI.—The supplemental security income program under title XVI of the Social Security Act.

(B) FOOD STAMPS.—The food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(i) An alien who is admitted to the United States as a refugee under section 217 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(ii) An alien who is granted asylum under section 218 of such Act until 5 years after the date of such grant of asylum.

(iii) An alien whose deportation is being withheld under section 213(h) of such Act until 5 years after such withholding.

(B) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(i) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(ii)(I) has worked 21 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (II) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(C) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(ii) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in clause (i) or (ii).

(D) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits under such program on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(E) FICA EXCEPTION.—Paragraph (1) shall not apply to an alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 21 different calendar quarters.

(F) TIME-LIMITED EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—Paragraph (1) shall not apply—

(i) for up to 48 months if the alien can demonstrate that (I) the alien has been battered

or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (II) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (III) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in subclause (I) or (II); and

(ii) for more than 48 months if the alien can demonstrate that any battery or cruelty under clause (i) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(G) SSI DISABILITY EXCEPTION.—Paragraph (1) shall not apply to an alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(3) DESIGNATED FEDERAL PROGRAM DEFINED.—For purposes of this title, the term ''designated Federal program'' means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—The program of block grants to States for temporary assistance for needy families under part A of title IV of the Social Security Act.

(B) SOCIAL SERVICES BLOCK GRANT.—The program of block grants to States for social services under title XX of the Social Security Act.

**SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.**

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), an alien who is a qualified alien (as defined in section 431) and who enters the United States on or after the date of the enactment of this Act is not eligible for any Federal means-tested public benefit (as defined in subsection (c)) for a period of five years beginning on the date of the alien's entry into the United States with a status within the meaning of the term ''qualified alien''.

(b) EXCEPTIONS.—The limitation under subsection (a) shall not apply to the following aliens:

(1) EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 217 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 218 of such Act.

(C) An alien whose deportation is being withheld under section 213(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(3) FICA EXCEPTION.—An alien if there has been paid with respect to the self-employment income or employment of the alien, or of a parent or spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 21 different calendar quarters.

(4) EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that need for such benefits has a substantial connection to such battery or cruelty.

(5) SSI DISABILITY EXCEPTION.—An alien who has not attained 18 years of age and is eligible by reason of disability for supplemental security income benefits under title XVI of the Social Security Act.

(6) FOOD STAMP EXCEPTION FOR CHILDREN.—An alien who has not attained 18 years of age only for purposes of eligibility for the food stamp program as defined in section 3(h) of the Food Stamp Act of 1977.

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this title, the term ''Federal means-tested public benefit'' means a public benefit (including cash, medical, housing, and food assistance and social services) of the Federal Government in which the eligibility of an individual, household, or family eligibility unit for benefits, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(2) Such term does not include the following:

(A) Emergency medical services under title XIX or XXI of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Assistance or benefits under the National School Lunch Act.

(D) Assistance or benefits under the Child Nutrition Act of 1966.

(E)(i) Public health assistance for immunizations.

(ii) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(F) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child who would, in the absence of subsection (a), be eligible to have such payments made on the child's behalf under such part, but only if the foster or adoptive parent or parents of such child are not described under subsection (a).

(G) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (i) deliver in-kind services at the community level, including through public or private nonprofit agencies; (ii) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (iii) are necessary for the protection of life or safety.

(H) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

(I) Means-tested programs under the Elementary and Secondary Education Act of 1965.

(J) The program of medical assistance under title XIX and title XXI of the Social Security Act.

**SEC. 404. NOTIFICATION AND INFORMATION REPORTING.**

(a) NOTIFICATION.—Each Federal agency that administers a program to which section 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to program recipients of the changes regarding eligibility for any such program pursuant to this title.

(b) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act is amended by inserting the following new section after section 411:

**''SEC. 411A. STATE REQUIRED TO PROVIDE CERTAIN INFORMATION.**

''Each State to which a grant is made under section 403 of the Social Security Act shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Immigration and Naturalization Service with the name and address of, and other identifying information on, any individual who the State knows is unlawfully in the United States.''.

(c) SSI.—Section 1631(e) of such Act (42 U.S.C. 1383(e)) is amended—

(1) by redesignating paragraphs (6) and (7) inserted by sections 216(d)(2) and 216(f)(1) of the Social Security Independence and Programs Improvement Act of 1994 (Public Law 103–296; 108 Stat. 1514, 1515) as paragraphs (7) and (8), respectively; and

(2) by adding at the end the following new paragraph:

''(9) Notwithstanding any other provision of law, the Commissioner shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1616(a) with a State provides that the State shall furnish such information at such times with respect to any individual who the State knows is unlawfully in the United States.''.

(d) INFORMATION REPORTING FOR HOUSING PROGRAMS.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by this Act, is further amended by adding at the end the following new section:

**''SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.**

''Notwithstanding any other provision of law, the Secretary shall, at least 4 times annually and upon request of the Immigration and Naturalization Service (hereafter in this section referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information on, any individual who the Secretary knows is unlawfully in the United States, and shall ensure

that each contract for assistance entered into under section 6 or 8 of this Act with a public housing agency provides that the public housing agency shall furnish such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States.''.

**Subtitle B—Eligibility for State and Local Public Benefits Programs**

**SEC. 411. ALIENS WHO ARE NOT QUALIFIED ALIENS OR NONIMMIGRANTS INELIGIBLE FOR STATE AND LOCAL PUBLIC BENEFITS.**

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsections (b) and (d), an alien who is not described under a paragraph of this subsection is not eligible for any State or local public benefit (as defined in subsection (c)):

(1) A qualified alien (as defined in section 431).

(2) A nonimmigrant under the Immigration and Nationality Act.

(3) An alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(4) An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii), and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State or local public benefits:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(4) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraph (2), for purposes of this subtitle the term ''State or local public benefit'' means—

(A) any grant, contract, loan, professional license, or commercial license provided by an agency of a State or local government or by appropriated funds of a State or local government; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided to an individual, household, or family eligibility unit by an agency of a State or local government or by appropriated funds of a State or local government.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license for a nonimmigrant whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who as a work authorized nonimmigrant or as an alien lawfully admitted for permanent residence under the Immigration and Nationality Act qualified for such benefits and for whom the United States under reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(d) STATE AUTHORITY TO PROVIDE FOR ELIGIBILITY OF ILLEGAL ALIENS FOR STATE AND LOCAL PUBLIC BENEFITS.—A State may provide that an alien who is not lawfully present in the United States is eligible for any State or local public benefit for which such alien would otherwise be ineligible under subsection (a) only through the enactment of a State law after the date of the enactment of this Act which affirmatively provides for such eligibility.

**SEC. 412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE PUBLIC BENEFITS.**

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), a State is authorized to determine the eligibility for any State public benefits (as defined in subsection (c) of an alien who is a qualified alien (as defined in section 431), a nonimmigrant under the Immigration and Nationality Act, or an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLEES.—

(A) An alien who is admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act until 5 years after the date of an alien's entry into the United States.

(B) An alien who is granted asylum under section 208 of such Act until 5 years after the date of such grant of asylum.

(C) An alien whose deportation is being withheld under section 243(h) of such Act until 5 years after such withholding.

(2) CERTAIN PERMANENT RESIDENT ALIENS.—An alien who—

(A) is lawfully admitted to the United States for permanent residence under the Immigration and Nationality Act; and

(B)(i) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101 of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage,

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) the spouse or unmarried dependent child of an individual described in subparagraph (A) or (B).

(4) TRANSITION FOR THOSE CURRENTLY RECEIVING BENEFITS.—An alien who on the date of the enactment of this Act is lawfully residing in any State and is receiving benefits on the date of the enactment of this Act shall continue to be eligible to receive such benefits until January 1, 1997.

(5) EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—An alien—

(A) for up to 48 months if the alien can demonstrate that (i) the alien has been battered or subject to extreme cruelty in the United States by a spouse or parent, or by a member of the spouse or parent's family residing in the same household as the alien and the spouse or parent consented or acquiesced to such battery or cruelty, or (ii) the alien's child has been battered or subject to extreme cruelty in the United States by a spouse or parent of the alien (without the active participation of the alien in the battery or extreme cruelty), or by a member of the spouse or parent's family residing in the same household as the alien when the spouse or parent consented or acquiesced to and the alien did not actively participate in such battery or cruelty, and (iii) the need for the public benefits applied for has a substantial connection to the battery or cruelty described in clause (i) or (ii); and

(B) for more than 48 months if the alien can demonstrate that any battery or cruelty under subparagraph (A) is ongoing, has led to the issuance of an order of a judge or an administrative law judge or a prior determination of the Service, and that the need for such benefits has a substantial connection to such battery or cruelty.

(c) STATE PUBLIC BENEFITS DEFINED.—The term ''State public benefits'' means any means-tested public benefit of a State or political subdivision of a State under which the State or political subdivision specifies the standards for eligibility, and does not include any Federal public benefit.

**Subtitle C—Attribution of Income and Affidavits of Support**

**SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN FOR PURPOSES OF MEDICAID ELIGIBILITY.**

(a) IN GENERAL.—Notwithstanding any other provision of law, in determining the eligibility and the amount of benefits of an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) for the program of medical assistance under title XIX and title XXI of the Social Security Act, the income and resources of the alien shall be deemed to include the following:

(1) The income and resources of any person who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(b) APPLICATION.—Subsection (a) shall apply with respect to an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) until such time as the alien—

(1) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(2)(A) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such qualifying quarters as provided under section 435, and (B) did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter.

(c) REVIEW OF INCOME AND RESOURCES OF ALIEN UPON REAPPLICATION.—Whenever an alien (other than an alien who has not attained 18 years of age or an alien who is pregnant) is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall review the income and resources attributed to the alien under subsection (a).

**SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.**

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefits (as defined in section 412(c)), the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immigration and Nationality Act (as added by section 423) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits under the National School Lunch Act.

(4) Programs comparable to assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the appropriate chief State health official determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

**SEC. 423. REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT.**

(a) IN GENERAL.—Title II of the Immigration and Nationality Act is amended by inserting after section 213 the following new section:

''REQUIREMENTS FOR SPONSOR'S AFFIDAVIT OF SUPPORT

''SEC. 213A. (a) ENFORCEABILITY.—(1) No affidavit of support may be accepted by the Attorney General or by any consular officer to establish that an alien is not excludable as a public charge under section 212(a)(4) unless such affidavit is executed as a contract—

''(A) which is legally enforceable against the sponsor by the sponsored alien, the Federal Government, and by any State (or any political subdivision of such State) which provides any means-tested public benefits program, but not later than 10 years after the alien last receives any such benefit;

''(B) in which the sponsor agrees to financially support the alien, so that the alien will not become a public charge; and

''(C) in which the sponsor agrees to submit to the jurisdiction of any Federal or State court for the purpose of actions brought under subsection (e)(2).

''(2) A contract under paragraph (1) shall be enforceable with respect to benefits provided to the alien until such time as the alien achieves United States citizenship through naturalization pursuant to chapter 2 of title III.

''(b) FORMS.—Not later than 90 days after the date of enactment of this section, the Attorney General, in consultation with the Secretary of State and the Secretary of Health and Human Services, shall formulate an affidavit of support consistent with the provisions of this section.

''(c) REMEDIES.—Remedies available to enforce an affidavit of support under this section include any or all of the remedies described in sections 3201, 3203, 3204, or 3205 of title 28, United States Code, as well as an order for specific performance and payment of legal fees and other costs of collection, and include corresponding remedies available under State law. A Federal agency may seek to collect amounts owed under this section in accordance with the provisions of subchapter II of chapter 37 of title 31, United States Code.

''(d) NOTIFICATION OF CHANGE OF ADDRESS.—

''(1) IN GENERAL.—The sponsor shall notify the Attorney General and the State in which the sponsored alien is currently resident within 30 days of any change of address of the sponsor during the period specified in subsection (a)(2).

''(2) PENALTY.—Any person subject to the requirement of paragraph (1) who fails to satisfy such requirement shall be subject to a civil penalty of—

''(A) not less than $250 or more than $2,000, or

''(B) if such failure occurs with knowledge that the alien has received any means-tested public benefit, not less than $2,000 or more than $5,000.

''(e) REIMBURSEMENT OF GOVERNMENT EXPENSES.—(1)(A) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local official shall request reimbursement by the sponsor in the amount of such assistance.

''(B) The Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary to carry out subparagraph (A).

''(2) If within 45 days after requesting reimbursement, the appropriate Federal, State, or local agency has not received a response from the sponsor indicating a willingness to commence payments, an action may be brought against the sponsor pursuant to the affidavit of support.

''(3) If the sponsor fails to abide by the repayment terms established by such agency, the agency may, within 60 days of such failure, bring an action against the sponsor pursuant to the affidavit of support.

''(4) No cause of action may be brought under this subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

''(5) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in the amount of assistance provided, or brings an action against the sponsor pursuant to the affidavit of support, the appropriate agency may appoint or hire an individual or other person to act on behalf of such agency acting under the authority of law for purposes of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from directly requesting reimbursement from a sponsor for the amount of assistance provided, or from bringing an action against a sponsor pursuant to an affidavit of support.

''(f) DEFINITIONS.—For the purposes of this section—

''(1) SPONSOR.—The term 'sponsor' means an individual who—

''(A) is a citizen or national of the United States or an alien who is lawfully admitted to the United States for permanent residence;

''(B) has attained the age of 18 years;

''(C) is domiciled in any of the 50 States or the District of Columbia; and

''(D) is the person petitioning for the admission of the alien under section 204.

''(2) MEANS-TESTED PUBLIC BENEFITS PROGRAM.—The term 'means-tested public benefits program' means a program of public benefits (including cash, medical, housing, and food assistance and social services) of the Federal Government or of a State or political subdivision of a State in which the eligibility of an individual, household, or family eligibility unit for benefits under the program, or the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.''.

(b) CLERICAL AMENDMENT.—The table of contents of such Act is amended by inserting after the item relating to section 213 the following:

''Sec. 213A. Requirements for sponsor's affidavit of support.''.

(c) EFFECTIVE DATE.—Subsection (a) of section 213A of the Immigration and Nationality Act, as inserted by subsection (a) of this section, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall not be earlier than 60 days (and not later than 90 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of such section.

(d) BENEFITS NOT SUBJECT TO REIMBURSEMENT.—Requirements for reimbursement by a sponsor for benefits provided to a sponsored alien pursuant to an affidavit of support under section 213A of the Immigration and Nationality Act shall not apply with respect to the following:

(1) Emergency medical services under title XIX or XXI of the Social Security Act.

(2) Short-term, noncash, in-kind emergency disaster relief.

(3) Assistance or benefits under the National School Lunch Act.

(4) Assistance or benefits under the Child Nutrition Act of 1966.

(5)(A) Public health assistance for immunizations.

(B) Public health assistance for testing and treatment of a serious communicable disease if the Secretary of Health and Human Services determines that it is necessary to prevent the spread of such disease.

(6) Payments for foster care and adoption assistance under part B of title IV of the Social Security Act for a child, but only if the foster or adoptive parent or parents of such child are not otherwise ineligible pursuant to section 403 of this Act.

(7) Programs, services, or assistance (such as soup kitchens, crisis counseling and

intervention, and short-term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies; (B) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (C) are necessary for the protection of life or safety.

(8) Programs of student assistance under titles IV, V, IX, and X of the Higher Education Act of 1965.

**SEC. 424. COSIGNATURE OF ALIEN STUDENT LOANS.**

Section 484(b) of the Higher Education Act of 1965 (20 U.S.C. 1091(b)) is amended by adding at the end the following new paragraph:

''(6) Notwithstanding sections 427(a)(2)(A), 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any other provision of this title, a student who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act shall not be eligible for a loan under this title unless the loan is endorsed and cosigned by the alien's sponsor under section 213A of the Immigration and Nationality Act or by another creditworthy individual who is a United States citizen.''.

**Subtitle D—General Provisions**

**SEC. 431. DEFINITIONS.**

(a) IN GENERAL.—Except as otherwise provided in this title, the terms used in this title have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this title, the term ''qualified alien'' means an alien who, at the time the alien applies for, receives, or attempts to receive a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under the Immigration and Nationality Act,

(2) an alien who is granted asylum under section 208 of such Act,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year,

(5) an alien whose deportation is being withheld under section 243(h) of such Act, or

(6) an alien who is granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1980.

**SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.**

(a) IN GENERAL.—Not later than 18 months after the date of the enactment of this Act, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall promulgate regulations requiring verification that a person applying for a Federal public benefit (as defined in section 401(c)), to which the limitation under section 401 applies, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested and exchanged be similar in form and manner to information requested and exchanged under section 1137 of the Social Security Act.

(b) STATE COMPLIANCE.—Not later than 24 months after the date the regulations described in subsection (a) are adopted, a State that administers a program that provides a Federal public benefit shall have in effect a verification system that complies with the regulations.

(c) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary to carry out the purpose of this section.

**SEC. 433. STATUTORY CONSTRUCTION.**

(a) LIMITATION.—

(1) Nothing in this title may be construed as an entitlement or a determination of an individual's eligibility or fulfillment of the requisite requirements for any Federal, State, or local governmental program, assistance, or benefits. For purposes of this title, eligibility relates only to the general issue of eligibility or ineligibility on the basis of alienage.

(2) Nothing in this title may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under Plyler v. Doe (457 U.S. 202)(1982).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This title does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien under any program of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this title or the application of such provision to any person or circumstance is held to be unconstitutional, the remainder of this title and the application of the provisions of such to any person or circumstance shall not be affected thereby.

**SEC. 434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE.**

Notwithstanding any other provision of Federal, State, or local law, no State or local government entity may be prohibited, or in any way restricted, from sending to or receiving from the Immigration and Naturalization Service information regarding the immigration status, lawful or unlawful, of an alien in the United States.

**SEC. 435. QUALIFYING QUARTERS.**

For purposes of this title, in determining the number of qualifying quarters of coverage under title II of the Social Security Act an alien shall be credited with—

(1) all of the qualifying quarters of coverage as defined under title II of the Social Security Act worked by a parent of such alien while the alien was under age 18 if the parent did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter, and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage if the spouse did not receive any Federal means-tested public benefit (as defined in section 403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

**SEC. 436. TITLE INAPPLICABLE TO PROGRAMS SPECIFIED BY ATTORNEY GENERAL.**

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance (such as soup kitchens, crisis counseling and intervention, and short term shelter) specified by the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments, which (1) deliver services at the community level, including through public or private nonprofit agencies; (2) do not condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual recipient's income or resources; and (3) are necessary for the protection of life, safety or the public health.

**SEC. 437. TITLE INAPPLICABLE TO PROGRAMS OF NONPROFIT CHARITABLE ORGANIZATIONS.**

Notwithstanding any other provision of this title, this title or any provision of this title shall not apply to programs, services, or assistance of a nonprofit charitable organization, regardless of whether such programs, services, or assistance are funded, in whole or in part, by the Federal Government or the government of any State or political subdivision of a State.

**Subtitle E—Conforming Amendments**

**SEC. 441. CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING.**

(a) LIMITATIONS ON ASSISTANCE.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) by striking ''Secretary of Housing and Urban Development'' each place it appears and inserting ''applicable Secretary'';

(2) in subsection (b), by inserting after ''National Housing Act,'' the following: ''the direct loan program under section 502 of the Housing Act of 1949 or section 502(c)(5)(D), 504, 521(a)(2)(A), or 542 of such Act, subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act,'';

(3) in paragraphs (2) through (6) of subsection (d), by striking ''Secretary'' each place it appears and inserting ''applicable Secretary'';

(4) in subsection (d), in the matter following paragraph (6), by striking ''the term 'Secretary' '' and inserting ''the term 'applicable Secretary' ''; and

(5) by adding at the end the following new subsection:

''(h) For purposes of this section, the term 'applicable Secretary' means—

''(1) the Secretary of Housing and Urban Development, with respect to financial assistance administered by such Secretary and financial assistance under subtitle A of title III of the Cranston-Gonzalez National Affordable Housing Act; and

''(2) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary.''.

(b) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1471(h)) is amended—

(1) by striking ''(1)'';

(2) by striking ''by the Secretary of Housing and Urban Development''; and

(3) by striking paragraph (2).

**TITLE V—REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS**

**SEC. 501. REDUCTIONS.**

(a) DEFINITIONS.—As used in this section:

(1) APPROPRIATE EFFECTIVE DATE.—The term ''appropriate effective date'', used with respect to a Department referred to in this section, means the date on which all provisions of this Act (other than title II) that the Department is required to carry out, and amendments and repeals made by such Act to provisions of Federal law that the Department is required to carry out, are effective.

(2) COVERED ACTIVITY.—The term ''covered activity'', used with respect to a Department referred to in this section, means an activity that the Department is required to carry out under—

(A) a provision of this Act (other than title II); or

(B) a provision of Federal law that is amended or repealed by this Act (other than title II).

(b) REPORTS.—

(1) CONTENTS.—Not later than December 31, 1995, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—

(A) the determinations described in subsection (c);

(B) appropriate documentation in support of such determinations; and

(C) a description of the methodology used in making such determinations.

(2) SECRETARY.—The Secretaries referred to in this paragraph are—

(A) the Secretary of Agriculture;

(B) the Secretary of Education;

(C) the Secretary of Labor;

(D) the Secretary of Housing and Urban Development; and

(E) the Secretary of Health and Human Services.

(3) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

(A) With respect to each Secretary described in paragraph (2), the Committee on Government Reform and Oversight of the House of Representatives and the Committee on Governmental Affairs of the Senate.

(B) With respect to the Secretary of Agriculture, the Committee on Agriculture and the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(C) With respect to the Secretary of Education, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(D) With respect to the Secretary of Labor, the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate.

(E) With respect to the Secretary of Housing and Urban Development, the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(F) With respect to the Secretary of Health and Human Services, the Committee on Economic and Educational Opportunities of the House of Representatives, the Committee on Labor and Human Resources of the Senate, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate.

(4) REPORT ON CHANGES.—Not later than December 31, 1996, and each December 31 thereafter, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant Committees described in paragraph (3), a report concerning any changes with respect to the determinations made under subsection (c) for the year in which the report is being submitted.

(c) DETERMINATIONS.—Not later than October 1, 1996, each Secretary referred to in subsection (b)(2) shall determine—

(1) the number of full-time equivalent positions required by the Department headed by such Secretary to carry out the covered activities of the Department, as of the day before the date of enactment of this Act;

(2) the number of such positions required by the Department to carry out the activities, as of the appropriate effective date for the Department; and

(3) the difference obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1).

(d) ACTIONS.—Each Secretary referred to in subsection (b)(2) shall take such actions as may be necessary, including reduction in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the number of positions of personnel of the Department—

(1) not later than 30 days after the appropriate effective date for the Department involved, by at least 50 percent of the difference referred to in subsection (c)(3); and

(2) not later than 13 months after such appropriate effective date, by at least the remainder of such difference (after the application of paragraph (1)).

(e) CONSISTENCY.—

(1) EDUCATION.—The Secretary of Education shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(2) LABOR.—The Secretary of Labor shall carry out this section in a manner that enables the Secretary to meet the requirements of this section.

(3) HEALTH AND HUMAN SERVICES.—The Secretary of Health and Human Services shall carry out this section in a manner that enables the Secretary to meet the requirements of this section and sections 502 and 503.

(f) CALCULATION.—In determining, under subsection (c), the number of full-time equivalent positions required by a Department to carry out a covered activity, a Secretary referred to in subsection (b)(2) shall include the number of such positions occupied by personnel carrying out program functions or other functions (including budgetary, legislative, administrative, planning, evaluation, and legal functions) related to the activity.

(g) GENERAL ACCOUNTING OFFICE REPORT.—Not later than July 1, 1996, the Comptroller General of the United States shall prepare and submit to the committees described in subsection (b)(3), a report concerning the determinations made by each Secretary under subsection (c). Such report shall contain an analysis of the determinations made by each Secretary under subsection (c) and a determination as to whether further reductions in full-time equivalent positions are appropriate.

**SEC. 502. REDUCTIONS IN FEDERAL BUREAUCRACY.**

(a) IN GENERAL.—The Secretary of Health and Human Services shall reduce the Federal workforce within the Department of Health and Human Services by an amount equal to the sum of—

(1) 75 percent of the full-time equivalent positions at such Department that relate to any direct spending program, or any program funded through discretionary spending, that has been converted into a block grant program under this Act and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departmental management positions at such Department that bears the same relationship to the amount appropriated for the programs referred to in paragraph (1) as such amount relates to the total amount appropriated for use by such Department.

(b) REDUCTIONS IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—Notwithstanding any other provision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the Department of Health and Human Services—

(1) by 245 full-time equivalent positions related to the program converted into a block grant under the amendment made by section 103; and

(2) by 60 full-time equivalent managerial positions in the Department.

**SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C. AREA.**

In making reductions in full-time equivalent positions, the Secretary of Health and Human Services is encouraged to reduce personnel in the Washington, D.C., area office (agency headquarters) before reducing field personnel.

## TITLE VI—REFORM OF PUBLIC HOUSING

**SEC. 601. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.**

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

**"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.**

''(a) IN GENERAL.—If the benefits of a family are reduced under a Federal, State, or local law relating to welfare or a public assistance program for the failure of any member of the family to perform an action required under the law or program, the family may not, for the duration of the reduction, receive any increased assistance under this Act as the result of a decrease in the income of the family to the extent that the decrease in income is the result of the benefits reduction.

''(b) EXCEPTION.—Subsection (a) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.''.

**SEC. 602. FRAUD UNDER MEANS-TESTED WELFARE AND PUBLIC ASSISTANCE PROGRAMS.**

(a) IN GENERAL.—If an individual's benefits under a Federal, State, or local law relating to a means-tested welfare or a public assistance program are reduced because of an act of fraud by the individual under the law or program, the individual may not, for the duration of the reduction, receive an increased benefit under any other means-tested welfare or public assistance program for which Federal funds are appropriated as a result of a decrease in the income of the individual (determined under the applicable program) attributable to such reduction.

(b) WELFARE OR PUBLIC ASSISTANCE PROGRAMS FOR WHICH FEDERAL FUNDS ARE APPROPRIATED.—For purposes of subsection (a), the term ''means-tested welfare or public assistance program for which Federal funds are appropriated'' includes the food stamp program under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.), any program of public or assisted housing under title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), and State programs funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

**SEC. 603. ANNUAL ADJUSTMENT FACTORS FOR OPERATING COSTS ONLY; RESTRAINT ON RENT INCREASES.**

(a) ANNUAL ADJUSTMENT FACTORS FOR OPERATING COSTS ONLY.—Section 8(c)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)) is amended—

(1) by striking ''(2)(A)'' and inserting ''(2)(A)(i)'';

(2) by striking the second sentence and all that follows through the end of the subparagraph; and

(3) by adding at the end the following new clause:

''(ii) Each assistance contract under this section shall provide that—

''(I) if the maximum monthly rent for a unit in a new construction or substantial rehabilitation project to be adjusted using an annual adjustment factor exceeds 100 percent of the fair market rent for an existing dwelling unit in the market area, the Secretary shall adjust the rent using an operating costs factor that increases the rent to reflect increases in operating costs in the market area; and

''(II) if the owner of a unit in a project described in subclause (I) demonstrates that the adjusted rent determined under subclause (I) would not exceed the rent for an unassisted unit of similar quality, type, and age in the same market area, as determined by the Secretary, the Secretary shall use the otherwise applicable annual adjustment factor.''.

(b) RESTRAINT ON SECTION 8 RENT INCREASES.—Section 8(c)(2)(A) of the United

States Housing Act of 1937 (42 U.S.C. 1437f(c)(2)(A)), as amended by subsection (a), is amended by adding at the end the following new clause:

''(iii)(I) Subject to subclause (II), with respect to any unit assisted under this section that is occupied by the same family at the time of the most recent annual rental adjustment, if the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor, and if the rent for the unit is otherwise eligible for an adjustment based on the full amount of the annual adjustment factor, 0.01 shall be subtracted from the amount of the annual adjustment factor, except that the annual adjustment factor shall not be reduced to less than 1.0.

''(II) With respect to any unit described in subclause (I) that is assisted under the certificate program, the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area in which the unit is located.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 1996.

**SEC. 604. EFFECTIVE DATE.**

This title and the amendment made by this title shall become effective on the date of enactment of this Act.

## TITLE VII—CHILD CARE

**SEC. 701. SHORT TITLE AND REFERENCES.**

(a) SHORT TITLE.—This title may be cited as the ''Child Care and Development Block Grant Amendments of 1995''.

(b) REFERENCES.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.).

**SEC. 702. GOALS.**

(a) GOALS.—Section 658A (42 U.S.C. 9801 note) is amended—

(1) in the section heading by inserting ''AND GOALS'' after ''TITLE'';

(2) by inserting ''(a) SHORT TITLE.—'' before ''This''; and

(3) by adding at the end the following:

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

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

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

''(3) to encourage States to provide consumer education information to help parents make informed choices about child care;

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

''(5) to assist States in implementing the health, safety, licensing, and registration standards established in State regulations.''.

**SEC. 803. AUTHORIZATION OF APPROPRIATIONS AND ENTITLEMENT AUTHORITY.**

(a) IN GENERAL.—Section 658B (42 U.S.C. 9858) is amended to read as follows:

**''SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.**

''There is authorized to be appropriated to carry out this subchapter $1,000,000,000 for each of the fiscal years 1996 through 2002.''.

(b) SOCIAL SECURITY ACT.—Part A of title IV of the Social Security Act (as amended by section 103 of this Act) is amended by redesignating section 417 as section 418 and inserting after section 416 the following:

**''SEC. 417. FUNDING FOR CHILD CARE.**

''(a) GENERAL CHILD CARE ENTITLEMENT.—

''(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to the greatest of—

''(A) the sum of—

''(i) the total amount required to be paid to the State under former section 403 for fiscal year 1994 with respect to amounts expended for child care under section 402(g) of this Act (as such section was in effect before October 1, 1995); and

''(ii) such total amount with respect to amounts expended for child care under section 403(i) of this Act (as so in effect); or

''(B) the sum described in subparagraph (A) for fiscal year 1995; or

''(C) the average of the total amounts required to be paid to the State for fiscal years 1992 through 1994 under the sections referred to in subparagraph (A).

''(2) REMAINDER.—

''(A) GRANTS.—The Secretary shall use any amounts appropriated for a fiscal year under paragraph (3), and remaining after the reservation described in paragraph (5) and after grants are awarded under paragraph (1), to make grants to States under this paragraph.

''(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

''(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under subsection (a)(1) for such year and the amount of State expenditures in fiscal year 1995 that equal the non-Federal share for the programs described in subparagraphs (A), (B) and (C) of paragraph (1).

''(3) APPROPRIATION.—There are authorized to be appropriated, and there are appropriated, to carry out this section—

''(A) $1,967,000,000 for fiscal year 1997;

''(B) $2,067,000,000 for fiscal year 1998;

''(C) $2,167,000,000 for fiscal year 1999;

''(D) $2,367,000,000 for fiscal year 2000;

''(E) $2,567,000,000 for fiscal year 2001; and

''(F) $2,767,000,000 for fiscal year 2002.

''(4) REDISTRIBUTION.—With respect to any fiscal year, if the Secretary determines that amounts under any grant awarded to a State under this subsection for such fiscal year will not be used by such State for carrying out the purpose for which the grant is made, the Secretary shall make such amounts available for carrying out such purpose to 1 or more other States which apply for such funds to the extent the Secretary determines that such other States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 402(i) (as such section was in effect before October 1, 1995) by substituting 'the number of children residing in all States applying for such funds' for 'the number of children residing in the United States in the second preceding fiscal year'. Any amount made available to a State from an appropriation for a fiscal year in accordance with the preceding sentence shall, for purposes of this part, be regarded as part of such State's payment (as determined under this subsection) for such year.

''(5) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section in each fiscal year for payments to Indian tribes and tribal organizations.

''(b) USE OF FUNDS.—

''(1) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance.

''(2) USE FOR CERTAIN POPULATIONS.—A State shall ensure that not less than 70 percent of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under this part, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

''(c) APPLICATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT of 1990.—Notwithstanding any other provision of law, amounts provided to a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, integrated by the State into the programs established by the State under such Act, and be subject to requirements and limitations of such Act.

''(d) DEFINITION.—As used in this section, the term 'State' means each of the 50 States or the District of Columbia.''.

**SEC. 704. LEAD AGENCY.**

Section 658D(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''State'' the first place that such appears and inserting ''governmental or nongovernmental''; and

(B) in subparagraph (C), by inserting ''with sufficient time and Statewide distribution of the notice of such hearing,'' after ''hearing in the State''; and

(2) in paragraph (2), by striking the second sentence.

**SEC. 705. APPLICATION AND PLAN.**

Section 658E (42 U.S.C. 9858c) is amended—

(1) in subsection (b)—

(A) by striking ''implemented—'' and all that follows through ''(2)'' and inserting ''implemented''; and

(B) by striking ''for subsequent State plans'';

(2) in subsection (c)—

(A) in paragraph (2)—

(i) in subparagraph (A)—

(I) in clause (i) by striking '', other than through assistance provided under paragraph (3)(C),''; and

(II) by striking ''except'' and all that follows through ''1992'', and inserting ''and provide a detailed description of the procedures the State will implement to carry out the requirements of this subparagraph'';

(ii) in subparagraph (B)—

(I) by striking ''Provide assurances'' and inserting ''Certify''; and

(II) by inserting before the period at the end ''and provide a detailed description of such procedures'';

(iii) in subparagraph (C)—

(I) by striking ''Provide assurances'' and inserting ''Certify''; and

(II) by inserting before the period at the end ''and provide a detailed description of how such record is maintained and is made available'';

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

''(D) CONSUMER EDUCATION INFORMATION.—Certify that the State will collect and disseminate to parents of eligible children

and the general public, consumer education information that will promote informed child care choices.'';

(v) in subparagraph (E), to read as follows:

''(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

''(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

''(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and tribal organizations receiving assistance under this subchapter.'';

(vi) by striking ''Provide assurances'' and inserting ''Certify''; and

(vii) by striking subparagraphs (H), (I), and (J) and inserting the following:

''(G) MEETING THE NEEDS OF CERTAIN POPULATIONS.—Demonstrate the manner in which the State will meet the specific child care needs of families who are receiving assistance under a State program under part A of title IV of the Social Security Act, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent on such assistance program.

''(H) PRESERVING PARENTAL CHOICE.—Certify that the State will not implement any policy or practice which has the effect of significantly restricting parental choice by—

''(i) expressly or effectively excluding any category of care or type of provider within a category of care;

''(ii) limiting parental access to or choices from among various categories of care or types of providers; or

''(iii) excluding a significant number of providers in any category of care.

''(I) INFORMING PARENTS OF OPTIONS.—Provides assurances that parents will be informed regarding their options under this section, including the option to receive a child care certificate or voucher.'';

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''(B) and (C)'' and inserting ''(B) through (D)'';

(ii) in subparagraph (B)—

(I) by striking ''.—Subject to the reservation contained in subparagraph (C), the'' and inserting ''AND RELATED ACTIVITIES.—The'';

(II) in clause (i) by striking ''; and'' at the end and inserting a period;

(III) by striking ''for—'' and all that follows through ''section 658E(c)(2)(A)'' and inserting ''for child care services on sliding fee scale basis, activities that improve the quality or availability of such services, and any other activity that the State deems appropriate to realize any of the goals specified in paragraphs (2) through (5) of section 658A(b)''; and

(IV) by striking clause (ii);

(iii) by amending subparagraph (C) to read as follows:

''(C) LIMITATION ON ADMINISTRATIVE COSTS.—Not more than 5 percent of the aggregate amount of funds available to the State to carry out this subchapter by a State in each fiscal year may be expended for administrative costs incurred by such State to carry out all of its functions and duties under this subchapter. As used in the preceding sentence, the term 'administrative costs' shall not include the costs of providing direct services.''; and

(iv) by adding at the end thereof the following:

''(D) ASSISTANCE FOR CERTAIN FAMILIES.—A State shall ensure that a substantial portion of the amounts available (after the State has complied with the requirement of section 417(b)(2) of the Social Security Act with respect to each of the fiscal years 1997 through 2002) to the State to carry out activities this subchapter in each fiscal year is used to provide assistance to low-income working families other than families described in paragraph (2)(F).''; and

(C) in paragraph (4)(A)—

(i) by striking ''provide assurances'' and inserting ''certify'';

(ii) in the first sentence by inserting ''and shall provide a summary of the facts relied on by the State to determine that such rates are sufficient to ensure such access'' before the period; and

(iii) by striking the last sentence.

**SEC. 706. LIMITATION ON STATE ALLOTMENTS.**

Section 658F(b) (42 U.S.C. 9858d(b)) is amended—

(1) in paragraph (1), by striking ''No'' and inserting ''Except as provided for in section 658O(c)(6), no''; and

(2) in paragraph (2), by striking ''referred to in section 658E(c)(2)(F)''.

**SEC. 707. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.**

Section 658G (42 U.S.C. 9858e) is amended to read as follows:

**''SEC. 658G. ACTIVITIES TO IMPROVE THE QUALITY OF CHILD CARE.**

''A State that receives funds to carry out this subchapter for a fiscal year, shall use not less than 4 percent of the amount of such funds for activities that are designed to provide comprehensive consumer education to parents and the public, activities that increase parental choice, and activities designed to improve the quality and availability of child care (such as resource and referral services).''.

**SEC. 708. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.**

Section 658H (42 U.S.C. 9858f) is repealed.

**SEC. 709. ADMINISTRATION AND ENFORCEMENT.**

Section 658I(b) (42 U.S.C. 9858g(b)) is amended—

(1) in paragraph (1), by striking '', and shall have'' and all that follows through ''(2)''; and

(2) in the matter following clause (ii) of paragraph (2)(A), by striking ''finding and that'' and all that follows through the period and inserting ''finding and shall require that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the Secretary deduct from the administrative portion of the State allotment for the following fiscal year an amount that is less than or equal to any improperly expended funds, or a combination of such options.''.

**SEC. 710. PAYMENTS.**

Section 658J(c) (42 U.S.C. 9858h(c)) is amended by striking ''expended'' and inserting ''obligated''.

**SEC. 711. ANNUAL REPORT AND AUDITS.**

Section 658K (42 U.S.C. 9858i) is amended—

(1) in the section heading by striking ''ANNUAL REPORT'' and inserting ''REPORTS'';

(2) in subsection (a), to read as follows:

''(a) REPORTS.—

''(1) COLLECTION OF INFORMATION BY STATES.—

''(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

''(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

''(i) family income;

''(ii) county of residence;

''(iii) the gender, race, and age of children receiving such assistance;

''(iv) whether the family includes only 1 parent;

''(v) the sources of family income, including the amount obtained from (and separately identified)—

''(I) employment, including self-employment;

''(II) cash or other assistance under part A of title IV of the Social Security Act;

''(III) housing assistance;

''(IV) assistance under the Food Stamp Act of 1977; and

''(V) other assistance programs;

''(vi) the number of months the family has received benefits;

''(vii) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

''(viii) whether the child care provider involved was a relative;

''(ix) the cost of child care for such families; and

''(x) the average hours per week of such care;

during the period for which such information is required to be submitted.

''(C) SUBMISSION TO SECRETARY.—A State described in subparagraph (A) shall, on a quarterly basis, submit the information required to be collected under subparagraph (B) to the Secretary.

''(D) SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

''(2) BIANNUAL REPORTS.—Not later than December 31, 1997, and every 6 months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

''(A) the number of child care providers that received funding under this subchapter as separately identified based on the types of providers listed in section 658P(5);

''(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter, listed by the type of child care services provided;

''(C) the number of payments made by the State through vouchers, contracts, cash, and disregards under public benefit programs, listed by the type of child care services provided;

''(D) the manner in which consumer education information was provided to parents and the number of parents to whom such information was provided; and

''(E) the total number (without duplication) of children and families served under this subchapter;

during the period for which such report is required to be submitted.''; and

(2) in subsection (b)—

(A) in paragraph (1) by striking ''a application'' and inserting ''an application'';

(B) in paragraph (2) by striking ''any agency administering activities that receive'' and inserting ''the State that receives''; and

(C) in paragraph (4) by striking ''entitles'' and inserting ''entitled''.

**SEC. 712. REPORT BY THE SECRETARY.**

Section 658L (42 U.S.C. 9858j) is amended—

(1) by striking ''1993'' and inserting ''1997'';

(2) by striking ''annually'' and inserting ''biennially''; and

(3) by striking ''Education and Labor'' and inserting ''Economic and Educational Opportunities''.

**SEC. 713. ALLOTMENTS.**

Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)—

(A) in paragraph (1)

(i) by striking ''POSSESSIONS'' and inserting ''POSSESSIONS'';

(ii) by inserting ''and'' after ''States,''; and

(iii) by striking '', and the Trust Territory of the Pacific Islands''; and

(B) in paragraph (2), by striking ''3 percent'' and inserting ''1 percent'';

(2) in subsection (c)—

(A) in paragraph (5) by striking ''our'' and inserting ''out''; and

(B) by adding at the end thereof the following new paragraph:

''(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

''(A) REQUEST FOR USE OF FUNDS.—An Indian tribe or tribal organization may submit to the Secretary a request to use amounts provided under this subsection for construction or renovation purposes.

''(B) DETERMINATION.—With respect to a request submitted under subparagraph (A), and except as provided in subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable such tribe or organization to carry out child care programs in accordance with this subchapter, and that the lack of such facilities will inhibit the operation of such programs in the future, the Secretary may permit the tribe or organization to use assistance provided under this subsection to make payments for the construction or renovation of facilities that will be used to carry out such programs.

''(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph (A) is being made.

''(D) UNIFORM PROCEDURES.—The Secretary shall develop and implement uniform procedures for the solicitation and consideration of requests under this paragraph.''; and

(3) in subsection (e), by adding at the end thereof the following new paragraph:

''(4) INDIAN TRIBES OR TRIBAL ORGANIZATIONS.—Any portion of a grant or contract made to an Indian tribe or tribal organization under subsection (c) that the Secretary determines is not being used in a manner consistent with the provision of this subchapter in the period for which the grant or contract is made available, shall be allotted by the Secretary to other tribes or organizations that have submitted applications under subsection (c) in accordance with their respective needs.''.

**SEC. 714. DEFINITIONS.**

Section 658P (42 U.S.C. 9858n) is amended—

(1) in paragraph (2), in the first sentence by inserting ''or as a deposit for child care services if such a deposit is required of other children being cared for by the provider'' after ''child care services''; and

(2) by striking paragraph (3);

(3) in paragraph (4)(B), by striking ''75 percent'' and inserting ''85 percent'';

(4) in paragraph (5)(B)—

(A) by inserting ''great grandchild, sibling (if such provider lives in a separate residence),'' after ''grandchild,'';

(B) by striking ''is registered and''; and

(C) by striking ''State'' and inserting ''applicable''.

(5) by striking paragraph (10);

(6) in paragraph (13)—

(A) by inserting ''or'' after ''Samoa,''; and

(B) by striking '', and the Trust Territory of the Pacific Islands'';

(7) in paragraph (14)—

(A) by striking ''The term'' and inserting the following:

''(A) IN GENERAL.—The term''; and

(B) by adding at the end thereof the following new subparagraph:

''(B) OTHER ORGANIZATIONS.—Such term includes a Native Hawaiian Organization, as defined in section 4009(4) of the Augustus F. Hawkins-Robert T. Stafford Elementary and Secondary School Improvement Amendments of 1988 (20 U.S.C. 4909(4)) and a private nonprofit organization established for the purpose of serving youth who are Indians or Native Hawaiians.''.

**SEC. 715. REPEALS.**

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

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

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

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

(2) in section 10963(b)(2) by striking subparagraph (G), and

(3) in section 10974(a)(6) by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103–382; 108 Stat. 3794) is repealed.

**SEC. 716. EFFECTIVE DATE.**

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect on October 1, 1996.

(b) EXCEPTION.—The amendment made by section 803(a) shall take effect on the date of enactment of this Act.

## TITLE VIII—CHILD NUTRITION PROGRAMS

### Subtitle A—National School Lunch Act

**SEC. 801. VALUE OF FOOD ASSISTANCE.**

(a) IN GENERAL.—Section 6(e)(1) of the National School Lunch Act (42 U.S.C. 1755(e)(1)) is amended by striking subparagraph (B) and inserting the following:

''(B) ADJUSTMENTS.—

''(i) IN GENERAL.—The value of food assistance for each meal shall be adjusted each July 1 by the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May each year.

''(ii) ADJUSTMENTS.—Except as otherwise provided in this subparagraph, in the case of each school year, the Secretary shall—

''(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the preceding school year;

''(II) adjust the resulting amount in accordance with clause (i); and

''(III) round the result to the nearest lower cent increment.

''(iii) ADJUSTMENT FOR 24-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 24-month period beginning July 1, 1996, the value of food assistance shall be the same as the value of food assistance in effect on June 30, 1996.

''(iv) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1998.—In the case of the school year beginning July 1, 1998, the Secretary shall—

''(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment for the value of food assistance for the school year beginning July 1, 1995;

''(II) adjust the resulting amount to reflect the annual percentage change in a 3-month average value of the Price Index for Foods Used in Schools and Institutions for March, April, and May for the most recent 12-month period for which the data are available; and

''(III) round the result to the nearest lower cent increment.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

**SEC. 802. COMMODITY ASSISTANCE.**

(a) IN GENERAL.—Section 6(g) of the National School Lunch Act (42 U.S.C. 1755(g)) is amended by striking ''12 percent'' and inserting ''8 percent''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on July 1, 1996.

**SEC. 803. STATE DISBURSEMENT TO SCHOOLS.**

(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1757) is amended—

(1) in the third sentence, by striking ''Nothing'' and all that follows through ''educational agency to'' and inserting ''The State educational agency may'';

(2) by striking the fourth, fifth, and eighth sentences;

(3) by redesignating the first through sixth sentences, as amended by paragraph (1), as subsections (a) through (f), respectively;

(4) in subsection (b), as redesignated by paragraph (3), by striking ''the preceding sentence'' and inserting ''subsection (a)''; and

(5) in subsection (d), as redesignated by paragraph (3), by striking ''Such food costs'' and inserting ''Use of funds paid to States''.

(b) DEFINITION OF CHILD.—Section 12(d) of the Act (42 U.S.C. 1760(d)) is amended by adding at the end the following:

''(9) 'child' includes an individual, regardless of age, who—

''(A) is determined by a State educational agency, in accordance with regulations prescribed by the Secretary, to have 1 or more mental or physical disabilities; and

''(B) is attending any institution, as defined in section 17(a), or any nonresidential public or nonprofit private school of high school grade or under, for the purpose of participating in a school program established for individuals with mental or physical disabilities.

No institution that is not otherwise eligible to participate in the program under section 17 shall be considered eligible because of this paragraph.''.

**SEC. 804. NUTRITIONAL AND OTHER PROGRAM REQUIREMENTS.**

(a) NUTRITIONAL STANDARDS.—Section 9(a) of the National School Lunch Act (42 U.S.C. 1758(a)) is amended—

(1) in paragraph (2)—

(A) by striking ''(2)(A) Lunches'' and inserting ''(2) Lunches'';

(B) by striking subparagraph (B); and

(C) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) ELIGIBILITY GUIDELINES.—Section 9(b) of the Act is amended—

(1) in paragraph (2)—

(A) by striking subparagraph (A); and

(B) by redesignating subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(2) in paragraph (5), by striking the third sentence; and

(3) in paragraph (6), by striking ''paragraph (2)(C)'' and inserting ''paragraph (2)(B)''.

(c) UTILIZATION OF AGRICULTURAL COMMODITIES.—Section 9(c) of the Act is amended by striking the second, fourth, and sixth sentences.

(d) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the Act is amended by striking ''subsection (b)(2)(C)'' and inserting ''subsection (b)(2)(B)''.

(e) NUTRITIONAL INFORMATION.—Section 9(f) of the Act is amended—

(1) by striking paragraph (1);

(2) by striking ''(2)'';

(3) by redesignating subparagraphs (A) through (D) as paragraphs (1) through (4), respectively;

(4) by striking paragraph (1), as redesignated by paragraph (3), and inserting the following:

''(1) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1996–1997 school year, schools that are participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

''(A) are consistent with the goals of the most recent Dietary Guidelines for Americans published under section 301 of the National Nutrition Monitoring and Related Research Act of 1990 (7 U.S.C. 5341); and

''(B) provide, on the average over each week, at least—

''(i) with respect to school lunches, ⅓ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences; and

''(ii) with respect to school breakfasts, ¼ of the daily recommended dietary allowance established by the Food and Nutrition Board of the National Research Council of the National Academy of Sciences.'';

(5) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesignating clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) in subparagraph (A), as so redesignated, by redesignating subclauses (I) and (II) as clauses (i) and (ii), respectively; and

(6) in paragraph (4), as redesignated by paragraph (3), by striking the first sentence and inserting the following: ''Schools may use any reasonable approach to meet the requirements of this paragraph, including any approach described in paragraph (3).''.

(f) USE OF RESOURCES.—Section 9 of the Act is amended by striking subsection (h).

**SEC. 805. FREE AND REDUCED PRICE POLICY STATEMENT.**

Section 9(b)(2) of the National School Lunch Act (42 U.S.C. 1758(b)(2)), as amended by section 802(b)(1), is further amended by adding at the end the following:

''(C) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.''.

**SEC. 806. SPECIAL ASSISTANCE.**

(a) REIMBURSEMENT RATES FOR LUNCHES, BREAKFASTS, AND SUPPLEMENTS.—

(1) IN GENERAL.—Section 11(a)(3)(B) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)(B)) is amended—

(A) by designating the second and third sentences as subparagraphs (C) and (D), respectively; and

(B) by striking subparagraph (D) (as so designated) and inserting the following:

''(D) ROUNDING.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

''(i) base the adjustment made under this paragraph on the amount of the unrounded adjustment for the preceding school year;

''(ii) adjust the resulting amount in accordance with subparagraphs (B) and (C); and

''(iii) round the result to the nearest lower cent increment.

''(E) ADJUSTMENT FOR 12-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 12-month period beginning July 1, 1996, the national average payment rates for paid lunches, paid breakfasts, and paid supplements shall be the same as the national average payment rate for paid lunches, paid breakfasts, and paid supplements, respectively, for the school year beginning July 1, 1995, rounded to the nearest lower cent increment.

''(F) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1997.—In the case of the school year beginning July 1, 1997, the Secretary shall—

''(i) base the adjustments made under this paragraph for—

''(I) paid lunches and paid breakfasts on the amount of the unrounded adjustment for paid lunches for the school year beginning July 1, 1996; and

''(II) paid supplements on the amount of the unrounded adjustment for paid supplements for the school year beginning July 1, 1996;

''(ii) adjust each resulting amount in accordance with subparagraph (C); and

''(iii) round each result to the nearest lower cent increment.''.

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on July 1, 1996.

(b) FINANCING BASED ON NEED.—Section 11(b) of the Act is amended—

(1) in the second sentence, by striking '', within'' and all that follows through ''all States,''; and

(2) by striking the third sentence.

(c) APPLICABILITY OF OTHER PROVISIONS.—Section 11 of the Act is amended—

(1) by striking subsection (d);

(2) in subsection (e)(2)—

(A) by striking ''The'' and inserting ''On request of the Secretary, the''; and

(B) by striking ''each month''; and

(3) by redesignating subsections (e) and (f), as so amended, as subsections (d) and (e), respectively.

**SEC. 807. MISCELLANEOUS PROVISIONS AND DEFINITIONS.**

(a) ACCOUNTS AND RECORDS.—Section 12(a) of the National School Lunch Act (42 U.S.C. 1760(a)) is amended by striking ''at all times be available'' and inserting ''be available at any reasonable time''.

(b) RESTRICTION ON REQUIREMENTS.—Section 12(c) of the Act is amended by striking ''neither the Secretary nor the State shall'' and inserting ''the Secretary shall not''.

(c) DEFINITIONS.—Section 12(d) of the Act, as amended by section 801(b), is further amended—

(1) in paragraph (1), by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands'';

(2) by striking paragraphs (3) and (4); and

(3) by redesignating paragraphs (1), (2), and (5) through (9) as paragraphs (6), (7), (3), (4), (2), (5), and (1), respectively, and rearranging the paragraphs so as to appear in numerical order.

(d) ADJUSTMENTS TO NATIONAL AVERAGE PAYMENT RATES.—Section 12(f) of the Act is amended by striking ''the Trust Territory of the Pacific Islands,''.

(e) EXPEDITED RULEMAKING.—Section 12(k) of the Act is amended—

(1) by striking paragraphs (1), (2), and (5); and

(2) by redesignating paragraphs (3) and (4) as paragraphs (1) and (2), respectively.

(f) WAIVER.—Section 12(l) of the Act is amended—

(1) in paragraph (1)(A)(i), by inserting after ''program'' the following: ''and would not have the effect of transferring funds or commodities from the support of meals for children with incomes below the income criteria for free or reduced price meals, as provided in section 9(b)'';

(2) in paragraph (2)—

(A) by striking ''(A)'';

(B) in clause (iii), by adding ''and'' at the end;

(C) in clause (iv), by striking the semicolon at the end and inserting a period;

(D) by striking clauses (v) through (vii);

(E) by striking subparagraph (B); and

(F) by redesignating clauses (i) through (iv), as so amended, as subparagraphs (A) through (D), respectively;

(3) in paragraph (3)—

(A) by striking ''(A)''; and

(B) by striking subparagraphs (B) through (D);

(4) in paragraph (4)—

(A) in the matter preceding subparagraph (A), by striking ''of any requirement relating'' and inserting ''that increases Federal costs or that relates'';

(B) by striking subparagraphs (B), (D), (F), (H), (J), (K), and (L);

(C) by redesignating subparagraphs (C), (E), (G), (I), (M), and (N) as subparagraphs (B) through (G), respectively; and

(D) in subparagraph (F), as redesignated by subparagraph (C), by striking ''and'' at the end and inserting ''or''; and

(5) in paragraph (6)—

(A) by striking ''(A)(i)'' and all that follows through ''(B)''; and

(B) by redesignating clauses (i) through (iv) as subparagraphs (A) through (D), respectively.

(g) FOOD AND NUTRITION PROJECTS.—Section 12 of the Act is amended by striking subsection (m).

**SEC. 808. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN.**

(a) ESTABLISHMENT OF PROGRAM.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by striking ''initiate, maintain, and expand'' and insert ''initiate and maintain''; and

(B) in subparagraph (E) of the second sentence, by striking ''the Trust Territory of the Pacific Islands,''; and

(2) in paragraph (7)(A), by striking ''Except as provided in subparagraph (C), private'' and inserting ''Private''.

(b) SERVICE INSTITUTIONS.—Section 13(b) of the Act is amended by striking ''(b)(1)'' and all that follows through the end of paragraph (1) and inserting the following:

''(b) SERVICE INSTITUTIONS.—

''(1) PAYMENTS.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of food service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs).

''(B) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

''(i) $2.00 for each lunch and supper served;

''(ii) $1.20 for each breakfast served; and

''(iii) 50 cents for each meal supplement served.

''(C) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted each January 1 to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series for food away from home of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be based on the unrounded adjustment for the prior 12-month period.''.

(c) ADMINISTRATION OF SERVICE INSTITUTIONS.—Section 13(b)(2) of the Act is amended—

(1) in the first sentence, by striking ''four meals'' and inserting ''3 meals, or 2 meals and 1 supplement,''; and

(2) by striking the second sentence.

(d) REIMBURSEMENTS.—Section 13(c)(2) of the Act is amended—

(1) by striking subparagraph (A);

(2) in subparagraph (B)—

(A) in the first sentence—

(i) by striking '', and such higher education institutions,''; and

(ii) by striking ''without application'' and inserting ''upon showing residence in areas in which poor economic conditions exist or on the basis of income eligibility statements for children enrolled in the program''; and

(B) by adding at the end the following: ''The higher education institutions referred to in the preceding sentence shall be eligible to participate in the program under this paragraph without application.'';

(3) in subparagraph (C)(ii), by striking ''severe need''; and

(4) by redesignating subparagraphs (B) through (E), as so amended, as subparagraphs (A) through (D), respectively.

(e) ADVANCE PROGRAM PAYMENTS.—Section 13(e)(1) of the Act is amended—

(1) by striking ''institution: *Provided*, That (A) the'' and inserting ''institution. The'';

(2) by inserting ''(excluding a school)'' after ''any service institution''; and

(3) by striking ''responsibilities, and (B) no'' and inserting ''responsibilities. No''.

(f) FOOD REQUIREMENTS.—Section 13(f) of the Act is amended—

(1) by redesignating the first through seventh sentences as paragraphs (1) through (7), respectively;

(2) by striking paragraph (3), as redesignated by paragraph (1);

(3) in paragraph (4), as redesignated by paragraph (1), by striking ''the first sentence'' and inserting ''paragraph (1)'';

(4) in paragraph (6), as redesignated by paragraph (1), by striking ''that bacteria levels'' and all that follows through the period at the end and inserting ''conformance with standards set by local health authorities.''; and

(5) by redesignating paragraphs (4) through (7), as redesignated by paragraph (1), as paragraphs (3) through (6), respectively.

(g) PERMITTING OFFER VERSUS SERVE.—Section 13(f) of the Act, as amended by subsection (f), is further amended by adding at the end the following:

''(7) OFFER VERSUS SERVE.—A school food authority participating as a service institution may permit a child attending a site on school premises operated directly by the authority to refuse not more than 1 item of a meal that the child does not intend to consume. A refusal of an offered food item shall not affect the amount of payments made under this section to a school for the meal.''.

(h) HEALTH DEPARTMENT INSPECTIONS.—Section 13(k) of the Act is amended by striking paragraph (3).

(i) FOOD SERVICE MANAGEMENT COMPANIES.—Section 13(l) of the Act is amended—

(1) by striking paragraph (4);

(2) in paragraph (5), by striking the first sentence; and

(3) by redesignating paragraph (5), as so amended, as paragraph (4).

(j) RECORDS.—The second sentence of section 13(m) of the Act is amended by striking ''at all times be available'' and inserting ''be available at any reasonable time''.

(k) REMOVING MANDATORY NOTICE TO INSTITUTIONS.—Section 13(n)(2) of the Act is amended by striking '', and its plans and schedule for informing service institutions of the availability of the program''.

(l) PLAN.—Section 13(n) of the Act is amended—

(1) in paragraph (2), by striking ''including the State's methods of assessing need'';

(2) by striking paragraph (3);

(3) in paragraph (4), by striking ''and schedule''; and

(4) by redesignating paragraphs (4) through (7), as so amended, as paragraphs (3) through (6), respectively.

(m) MONITORING AND TRAINING.—Section 13(q) of the Act is amended—

(1) by striking paragraphs (2) and (4);

(2) in paragraph (3), by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraph (1)''; and

(3) by redesignating paragraph (3), as so amended, as paragraph (2).

(n) EXPIRED PROGRAM.—Section 13 of the Act is amended—

(1) by striking subsection (p); and

(2) by redesignating subsections (q) and (r), as so amended, as subsections (p) and (q), respectively.

(o) EFFECTIVE DATE.—The amendments made by subsection (b) shall become effective on January 1, 1996.

**SEC. 809. COMMODITY DISTRIBUTION.**

(a) CEREAL AND SHORTENING IN COMMODITY DONATIONS.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1762a(b)) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

(b) IMPACT STUDY AND PURCHASING PROCEDURES.—Section 14(d) of the Act is amended by striking the second and third sentences.

(c) CASH COMPENSATION FOR PILOT PROJECT SCHOOLS.—Section 14(g) of the Act is amended by striking paragraph (3).

(d) STATE ADVISORY COUNCIL.—Section 14 is amended—

(1) by striking subsection (e); and

(2) by redesignating subsections (f) and (g), as so amended, as subsections (e) and (f), respectively.

**SEC. 810. CHILD CARE FOOD PROGRAM.**

(a) ESTABLISHMENT OF PROGRAM.—Section 17 of the National School Lunch Act (42 U.S.C. 1766) is amended—

(1) in the section heading, by striking ''AND ADULT''; and

(2) in the first sentence of subsection (a), by striking ''initiate, maintain, and expand'' and inserting ''initiate and maintain''.

(b) INSTITUTIONS PROVIDING CHILD CARE.—Section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

(1) in the second sentence—

(A) by inserting ''the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) or'' after ''from amounts granted to the States under''; and

(B) by striking ''(but only if'' and all that follows and inserting a period; and

(2) in the fourth sentence, by striking ''Reimbursement'' and inserting ''Notwithstanding the type of institution providing the meal or supplement, reimbursement''.

(c) PAYMENTS TO SPONSOR EMPLOYEES.—Paragraph (2) of the last sentence of section 17(a) of the Act (42 U.S.C. 1766(a)) is amended—

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

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

(3) by adding at the end the following:

''(D) in the case of a family or group day care home sponsoring organization that employs more than 1 employee, the organization does not base payments to an employee of the organization on the number of family or group day care homes recruited.''.

(d) TECHNICAL ASSISTANCE.—The last sentence of section 17(d)(1) of the Act is amended by striking '', and shall provide technical assistance'' and all that follows through ''its application''.

(e) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—

(1) RESTRUCTURED DAY CARE HOME REIMBURSEMENTS.—Section 17(f)(3) of the Act is amended by striking ''(3)(A) Institutions'' and all that follows through the end of subparagraph (A) and inserting the following:

''(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(A) REIMBURSEMENT FACTOR.—

''(i) IN GENERAL.—An institution that participates in the program under this section as a family or group day care home sponsoring organization shall be provided, for payment to a home sponsored by the organization, reimbursement factors in accordance with this subparagraph for the cost of obtaining and preparing food and prescribed labor costs involved in providing meals under this section.

''(ii) TIER I FAMILY OR GROUP DAY CARE HOMES.—

''(I) DEFINITION.—In this paragraph, the term 'tier I family or group day care home' means—

''(aa) a family or group day care home that is located in a geographic area, as defined by the Secretary based on census data, in which at least 50 percent of the children residing in the area are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9;

''(bb) a family or group day care home that is located in an area served by a school enrolling elementary students in which at least 50 percent of the total number of children enrolled are certified eligible to receive free or reduced price school meals under this Act or the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.); or

''(cc) a family or group day care home that is operated by a provider whose household meets the income eligibility guidelines for free or reduced price meals under section 9 and whose income is verified by the sponsoring or organization of the home under regulations established by the Secretary.

''(II) REIMBURSEMENT.—Except as provided in subclause (III), a tier I family or group day care home shall be provided reimbursement factors under this clause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

''(III) FACTORS.—Except as provided in subclause (IV), the reimbursement factors applied to a home referred to in subclause (II) shall be the factors in effect on the date of enactment of this subclause.

''(IV) ADJUSTMENTS.—The reimbursement factors under this subparagraph shall be adjusted on August 1, 1996, July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this subparagraph shall

be rounded to the nearest lower cent increment and based on the unrounded adjustment in effect on June 30 of the preceding school year.

''(iii) TIER II FAMILY OR GROUP DAY CARE HOMES.—

''(I) IN GENERAL.—

''(aa) FACTORS.—Except as provided in subclause (II), with respect to meals or supplements served under this clause by a family or group day care home that does not meet the criteria set forth in clause (ii)(I), the reimbursement factors shall be $1.00 for lunches and suppers, 30 cents for breakfasts, and 15 cents for supplements.

''(bb) ADJUSTMENTS.—The factors shall be adjusted on July 1, 1997, and each July 1 thereafter, to reflect changes in the Consumer Price Index for food at home for the most recent 12-month period for which the data are available. The reimbursement factors under this item shall be rounded down to the nearest lower cent increment and based on the unrounded adjustment for the preceding 12-month period.

''(cc) REIMBURSEMENT.—A family or group day care home shall be provided reimbursement factors under this subclause without a requirement for documentation of the costs described in clause (i), except that reimbursement shall not be provided under this subclause for meals or supplements served to the children of a person acting as a family or group day care home provider unless the children meet the income eligibility guidelines for free or reduced price meals under section 9.

''(II) OTHER FACTORS.—A family or group day care home that does not meet the criteria set forth in clause (ii)(I) may elect to be provided reimbursement factors determined in accordance with the following requirements:

''(aa) CHILDREN ELIGIBLE FOR FREE OR REDUCED PRICE MEALS.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines for free or reduced price meals under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (ii)(III).

''(bb) INELIGIBLE CHILDREN.—In the case of meals or supplements served under this subsection to children who are members of households whose incomes do not meet the income eligibility guidelines, the family or group day care home shall be provided reimbursement factors in accordance with subclause (I).

''(III) INFORMATION AND DETERMINATIONS.—

''(aa) IN GENERAL.—If a family or group day care home elects to claim the factors described in subclause (II), the family or group day care home sponsoring organization serving the home shall collect the necessary income information, as determined by the Secretary, from any parent or other caretaker to make the determinations specified in subclause (II) and shall make the determinations in accordance with rules prescribed by the Secretary.

''(bb) CATEGORICAL ELIGIBILITY.—In making a determination under item (aa), a family or group day care home sponsoring organization may consider a child participating in or subsidized under, or a child with a parent participating in or subsidized under, a federally or State supported child care or other benefit program with an income eligibility limit that does not exceed the eligibility standard for free or reduced price meals under section 9 to be a child who is a member of a household whose income meets the income eligibility guidelines under section 9.

''(cc) FACTORS FOR CHILDREN ONLY.—A family or group day care home may elect to receive the reimbursement factors prescribed under clause (ii)(III) solely for the children participating in a program referred to in item (bb) if the home elects not to have income statements collected from parents or other caretakers.

''(IV) SIMPLIFIED MEAL COUNTING AND REPORTING PROCEDURES.—The Secretary shall prescribe simplified meal counting and reporting procedures for use by a family or group day care home that elects to claim the factors under subclause (II) and by a family or group day care home sponsoring organization that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

''(aa) Setting an annual percentage for each home of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under clause (ii)(III) and an annual percentage of the number of meals served that are to be reimbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children enrolled in the home in a specified month or other period.

''(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose households have incomes that meet the income eligibility guidelines under section 9, with each such reimbursement category carrying a set of reimbursement factors such as the factors prescribed under clause (ii)(III) or subclause (I) or factors established within the range of factors prescribed under clause (ii)(III) and subclause (I).

''(cc) Such other simplified procedures as the Secretary may prescribe.

''(V) MINIMUM VERIFICATION REQUIREMENTS.—The Secretary may establish any necessary minimum verification requirements.''.

(2) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended by adding at the end the following:

''(D) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—

''(i) IN GENERAL.—

''(I) RESERVATION.—From amounts made available to carry out this section, the Secretary shall reserve $5,000,000 of the amount made available for fiscal year 1996.

''(II) PURPOSE.—The Secretary shall use the funds made available under subclause (I) to provide grants to States for the purpose of providing—

''(aa) assistance, including grants, to family and day care home sponsoring organizations and other appropriate organizations, in securing and providing training, materials, automated data processing assistance, and other assistance for the staff of the sponsoring organizations; and

''(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) made by section 808(d)(1) of the Personal Responsibility and Work Opportunity Act of 1996.

''(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(I)—

''(I) $30,000 in base funding to each State; and

''(II) any remaining amount among the States, based on the number of family day care homes participating in the program in a State during fiscal year 1994 as a percentage of the number of all family day care homes participating in the program during fiscal year 1994.

''(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1996 under clause (i), the State may retain not to exceed 30 percent of the amount to carry out this subparagraph.

''(iv) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).''.

(3) PROVISION OF DATA.—Section 17(f)(3) of the Act, as amended by paragraph (2), is further amended by adding at the end the following:

''(E) PROVISION OF DATA TO FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

''(i) CENSUS DATA.—The Secretary shall provide to each State agency administering a child care food program under this section data from the most recent decennial census survey or other appropriate census survey for which the data are available showing which areas in the State meet the requirements of subparagraph (A)(ii)(I)(aa). The State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

''(ii) SCHOOL DATA.—

''(I) IN GENERAL.—A State agency administering the school lunch program under this Act or the school breakfast program under the Child Nutrition Act of 1966 (42 U.S.C. 1771 et seq.) shall provide to approved family or group day care home sponsoring organizations a list of schools serving elementary school children in the State in which not less than ½ of the children enrolled are certified to receive free or reduced price meals. The State agency shall collect the data necessary to create the list annually and provide the list on a timely basis to any approved family or group day care home sponsoring organization that requests the list.

''(II) USE OF DATA FROM PRECEDING SCHOOL YEAR.—In determining for a fiscal year or other annual period whether a home qualifies as a tier I family or group day care home under subparagraph (A)(ii)(I), the State agency administering the program under this section, and a family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

''(iii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located in an area that qualifies the home as a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(I)), shall be in effect for 3 years (unless the determination is made on the basis of census data, in which case the determination shall remain in effect until more recent census data are available) unless the State agency determines that the area in which the home is located no longer qualifies the home as a tier I family or group day care home.''.

(4) CONFORMING AMENDMENTS.—Section 17(c) of the Act is amended by inserting ''except as provided in subsection (f)(3),'' after ''For purposes of this section,'' each place it appears in paragraphs (1), (2), and (3).

(f) REIMBURSEMENT.—Section 17(f) of the Act is amended—

(1) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)—

(i) in clause (i)—

(I) by striking ''(i)'';

(II) in the first sentence, by striking ''and expansion funds'' and all that follows through ''rural areas'';

(III) by striking the second sentence; and

(IV) by striking ''and expansion funds'' each place it appears; and

(ii) by striking clause (ii); and

(2) by striking paragraph (4).

(g) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the Act is amended—

(1) in subparagraph (A), by striking the second sentence; and

(2) in subparagraph (B), by striking the second sentence.

(h) ELIMINATION OF STATE PAPERWORK AND OUTREACH BURDEN.—Section 17 of the Act is amended by striking subsection (k) and inserting the following:

''(k) TRAINING AND TECHNICAL ASSISTANCE.—A State participating in the program established under this section shall provide sufficient training, technical assistance, and monitoring to facilitate effective operation of the program. The Secretary shall assist the State in developing plans to fulfill the requirements of this subsection.''.

(i) RECORDS.—The second sentence of section 17(m) of the Act is amended by striking ''at all times'' and inserting ''at any reasonable time''.

(j) MODIFICATION OF ADULT CARE FOOD PROGRAM.—Section 17(o) of the Act is amended—

(1) in the first sentence of paragraph (1)—

(A) by striking ''adult day care centers'' and inserting ''day care centers for chronically impaired disabled persons''; and

(B) by striking ''to persons 60 years of age or older or''; and

(2) in paragraph (2)—

(A) in subparagraph (A)—

(i) by striking ''adult day care center'' and inserting ''day care center for chronically impaired disabled persons''; and

(ii) in clause (i)—

(I) by striking ''adult'';

(II) by striking ''adults'' and inserting ''persons''; and

(III) by striking ''or persons 60 years of age or older''; and

(B) in subparagraph (B), by striking ''adult day care services'' and inserting ''day care services for chronically impaired disabled persons''.

(k) UNNEEDED PROVISION.—Section 17 of the Act is amended by striking subsection (q).

(l) CONFORMING AMENDMENTS.—

(1) Section 17B(f) of the Act (42 U.S.C. 1766b(f)) is amended—

(A) in the subsection heading, by striking ''AND ADULT''; and

(B) in paragraph (1), by striking ''and adult''.

(2) Section 18(e)(3)(B) of the Act (42 U.S.C. 1769(e)(3)(B)) is amended by striking ''and adult''.

(3) Section 25(b)(1)(C) of the Act (42 U.S.C. 1769f(b)(1)(C)) is amended by striking ''and adult''.

(4) Section 3(1) of the Healthy Meals for Healthy Americans Act of 1994 (Public Law 103–448) is amended by striking ''and adult''.

(m) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section shall become effective on the date of enactment of this Act.

(2) IMPROVED TARGETING OF DAY CARE HOME REIMBURSEMENTS.—The amendments made by paragraphs (1), (3), and (4) of subsection (f) shall become effective on August 1, 1996.

(3) REGULATIONS.—

(A) INTERIM REGULATIONS.—Not later than February 1, 1996, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (f); and

(ii) section 17(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(f)(3)(C)).

(B) FINAL REGULATIONS.—Not later than August 1, 1996, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(n) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—

(1) IN GENERAL.—The Secretary of Agriculture, in conjunction with the Secretary of Health and Human Services, shall study the impact of the amendments made by this section on—

(A) the number of family day care homes participating in the child care food program established under section 17 of the National School Lunch Act (42 U.S.C. 1766);

(B) the number of day care home sponsoring organizations participating in the program;

(C) the number of day care homes that are licensed, certified, registered, or approved by each State in accordance with regulations issued by the Secretary;

(D) the rate of growth of the numbers referred to in subparagraphs (A) through (C);

(E) the nutritional adequacy and quality of meals served in family day care homes that—

(i) received reimbursement under the program prior to the amendments made by this section but do not receive reimbursement after the amendments made by this section; or

(ii) received full reimbursement under the program prior to the amendments made by this section but do not receive full reimbursement after the amendments made by this section; and

(F) the proportion of low-income children participating in the program prior to the amendments made by this section and the proportion of low-income children participating in the program after the amendments made by this section.

(2) REQUIRED DATA.—Each State agency participating in the child care food program under section 17 of the National School Lunch Act (42 U.S.C. 1766) shall submit to the Secretary data on—

(A) the number of family day care homes participating in the program on July 31, 1996, and July 31, 1997;

(B) the number of family day care homes licensed, certified, registered, or approved for service on July 31, 1996, and July 31, 1997; and

(C) such other data as the Secretary may require to carry out this subsection.

(3) SUBMISSION OF REPORT.—Not later than 2 years after the effective date of this section, the Secretary shall submit the study required under this subsection to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

**SEC. 811. PILOT PROJECTS.**

(a) UNIVERSAL FREE PILOT.—Section 18(d) of the National School Lunch Act (42 U.S.C. 1769(d)) is amended—

(1) by striking paragraph (3); and

(2) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

(b) DEMO PROJECT OUTSIDE SCHOOL HOURS.—Section 18(e) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''(A)''; and

(ii) by striking ''shall'' and inserting ''may''; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (5) and inserting the following:

''(5) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 1997 and 1998.''.

(c) ELIMINATING PROJECTS.—Section 18 of the Act is amended—

(1) by striking subsections (a) and (g) through (i); and

(2) by redesignating subsections (b) through (f), as so amended, as subsections (a) through (e), respectively.

(d) CONFORMING AMENDMENT.—Section 17B(d)(1)(A) of the Act (42 U.S.C. 1766b(d)(1)(A)) is amended by striking ''18(c)'' and inserting ''18(b)''.

**SEC. 812. REDUCTION OF PAPERWORK.**

Section 19 of the National School Lunch Act (42 U.S.C. 1769a) is repealed.

**SEC. 813. INFORMATION ON INCOME ELIGIBILITY.**

Section 23 of the National School Lunch Act (42 U.S.C. 1769d) is repealed.

**SEC. 814. NUTRITION GUIDANCE FOR CHILD NUTRITION PROGRAMS.**

Section 24 of the National School Lunch Act (42 U.S.C. 1769e) is repealed.

**SEC. 815. INFORMATION CLEARINGHOUSE.**

Section 26 of the National School Lunch Act (42 U.S.C. 1769g) is repealed.

## Subtitle B—Child Nutrition Act of 1966

**SEC. 821. SPECIAL MILK PROGRAM.**

(a) DEFINITION.—Section 3(a)(3) of the Child Nutrition Act of 1966 (42 U.S.C. 1772(a)(3)) is amended by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands''.

(b) ADJUSTMENTS TO REIMBURSEMENTS.—

(1) IN GENERAL.—Section 3(a) of the Act is amended by striking paragraph (8) and inserting the following:

''(8) ADJUSTMENTS.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, in the case of each school year, the Secretary shall—

''(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the preceding school year;

''(ii) adjust the resulting amount in accordance with paragraph (7); and

''(iii) round the result to the nearest lower cent increment.

''(B) ADJUSTMENT FOR 12-MONTH PERIOD BEGINNING JULY 1, 1996.—In the case of the 12-month period beginning July 1, 1996, the minimum rate shall be the same as the minimum rate in effect on June 30, 1996, rounded to the nearest lower cent increment.

''(C) ADJUSTMENT FOR SCHOOL YEAR BEGINNING JULY 1, 1997.—In the case of the school year beginning July 1, 1997, the Secretary shall—

''(i) base the adjustment made under paragraph (7) on the amount of the unrounded adjustment for the minimum rate for the school year beginning July 1, 1996;

''(ii) adjust the resulting amount to reflect changes in the Producer Price Index for Fresh Processed Milk published by the Bureau of Labor Statistics of the Department of Labor for the most recent 12-month period for which the data are available; and

''(iii) round the result to the nearest lower cent increment.''.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall become effective on July 1, 1996.

**SEC. 822. REIMBURSEMENT RATES FOR FREE AND REDUCED PRICE BREAKFASTS.**

(a) IN GENERAL.—Section 4(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)) is amended—

(1) in paragraph (1)(B)—

(A) in the first sentence, by striking ''section 11(a)'' and inserting ''subparagraphs (B) through (D) of section 11(a)(3)''; and

(B) in the second sentence, by striking '', adjusted to the nearest one-fourth cent'' and inserting ''(as adjusted pursuant to subparagraphs (B) through (D) of section 11(a)(3) of the National School Lunch Act (42 U.S.C. 1759a(a)(3)))''; and

(2) in paragraph (2)(B)(ii)—

(A) by striking ''nearest one-fourth cent'' and inserting ''nearest lower cent increment for the applicable school year''; and

(B) by inserting before the period at the end the following: '', and the adjustment required by this clause shall be based on the unrounded adjustment for the preceding school year''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on July 1, 1996.

**SEC. 823. FREE AND REDUCED PRICE POLICY STATEMENT.**

Section 4(b)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(b)(1)) is amended by adding at the end the following:

''(E) FREE AND REDUCED PRICE POLICY STATEMENT.—After the initial submission, a school shall not be required to submit a free and reduced price policy statement to a State educational agency under this Act unless there is a substantive change in the free and reduced price policy of the school. A routine change in the policy of a school, such as an annual adjustment of the income eligibility guidelines for free and reduced price meals, shall not be sufficient cause for requiring the school to submit a policy statement.''.

**SEC. 824. SCHOOL BREAKFAST PROGRAM AUTHORIZATION.**

(a) TRAINING AND TECHNICAL ASSISTANCE IN FOOD PREPARATION.—Section 4(e)(1) of the Child Nutrition Act of 1966 (42 U.S.C. 1773(e)(1)) is amended—

(1) in subparagraph (A), by striking ''(A)''; and

(2) by striking subparagraph (B).

(b) EXPANSION OF PROGRAM; STARTUP AND EXPANSION COSTS.—

(1) IN GENERAL.—Section 4 of the Act is amended by striking subsections (f) and (g).

(2) EFFECTIVE DATE.—The amendments made by paragraph (1) shall become effective on October 1, 1996.

**SEC. 825. STATE ADMINISTRATIVE EXPENSES.**

(a) USE OF FUNDS FOR COMMODITY DISTRIBUTION ADMINISTRATION; STUDIES.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(1) by striking subsections (e) and (h); and

(2) by redesignating subsections (f), (g), and (i) as subsections (e), (f), and (g), respectively.

(b) APPROVAL OF CHANGES.—Section 7(e) of the Act, as so redesignated, is amended—

(1) by striking ''each year an annual plan'' and inserting ''the initial fiscal year a plan''; and

(2) by adding at the end the following: ''After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.''.

**SEC. 826. REGULATIONS.**

Section 10 of the Child Nutrition Act of 1966 (42 U.S.C. 1779) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''(1)''; and

(B) by striking paragraphs (2) through (4); and

(2) in subsection (c)—

(A) by striking ''may'' and inserting ''shall'';

(B) by inserting '', except the program authorized under section 17,'' after ''under this Act''; and

(C) by adding at the end the following: ''Such regulations shall prohibit the transfer of funds that are used to support meals served to children with incomes below the income eligibility criteria for free or reduced price meals, as provided in section 9(b) of the National School Lunch Act.''.

**SEC. 827. PROHIBITIONS.**

Section 11(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1780(a)) is amended by striking ''neither the Secretary nor the State shall'' and inserting ''the Secretary shall not''.

**SEC. 828. MISCELLANEOUS PROVISIONS AND DEFINITIONS.**

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(1) in paragraph (1), by striking ''the Trust Territory of the Pacific Islands'' and inserting ''the Commonwealth of the Northern Mariana Islands''; and

(2) in the first sentence of paragraph (3)—

(A) in subparagraph (A), by inserting ''and'' at the end; and

(B) by striking '', and (C)'' and all that follows through ''Governor of Puerto Rico''.

**SEC. 829. ACCOUNTS AND RECORDS.**

The second sentence of section 16(a) of the Child Nutrition Act of 1966 (42 U.S.C. 1785(a)) is amended by striking ''at all times be available'' and inserting ''be available at any reasonable time''.

**SEC. 830. SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.**

(a) DEFINITIONS.—Section 17(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(b)) is amended—

(1) in paragraph (15)(B)(iii), by inserting ''of not more than 90 days'' after ''accommodation''; and

(2) in paragraph (16)—

(A) in subparagraph (A), by adding ''and'' at the end; and

(B) in subparagraph (B), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (C).

(b) SECRETARY'S PROMOTION OF WIC.—Section 17(c) of the Act is amended by striking paragraph (5).

(c) ELIGIBLE PARTICIPANTS.—Section 17(d) of the Act is amended by striking paragraph (4).

(d) NUTRITION EDUCATION AND DRUG ABUSE EDUCATION.—Section 17(e) of the Act is amended—

(1) in the first sentence of paragraph (1), by striking ''shall ensure'' and all that follows through ''is provided'' and inserting ''shall provide nutrition education and may provide drug abuse education'';

(2) in paragraph (2), by striking the third sentence;

(3) by striking paragraph (4) and inserting the following:

''(4) INFORMATION.—The State agency may provide a local agency with materials describing other programs for which participants in the program may be eligible.'';

(4) in paragraph (5), by striking ''The State'' and all that follows through ''local agency shall'' and inserting ''A local agency may''; and

(5) by striking paragraph (6).

(e) STATE PLAN.—Section 17(f) of the Act is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''annually to the Secretary, by a date specified by the Secretary, a'' and inserting ''to the Secretary, by a date specified by the Secretary, an initial''; and

(ii) by adding at the end the following: ''After submitting the initial plan, a State shall only be required to submit to the Secretary for approval a substantive change in the plan.'';

(B) in subparagraph (C)—

(i) by striking clause (iii) and inserting the following:

''(iii) a plan to coordinate operations under the program with other services or programs that may benefit participants in, and applicants for, the program;'';

(ii) in clause (vi), by inserting after ''in the State'' the following: ''(including a plan to improve access to the program for participants and prospective applicants who are employed, or who reside in rural areas)'';

(iii) by striking clauses (vii), (ix), (x), and (xii);

(iv) in clause (xiii), by striking ''may require'' and inserting ''may reasonably require''; and

(v) by redesignating clauses (viii), (xi), and (xiii), as so amended, as clauses (vii), (viii), and (ix), respectively;

(C) by striking subparagraph (D); and

(D) by redesignating subparagraph (E) as subparagraph (D);

(2) by striking paragraphs (2), (6), (8), (20), (22), and (24);

(3) in the second sentence of paragraph (5), by striking ''at all times be available'' and inserting ''be available at any reasonable time'';

(4) in paragraph (9)(B), by striking the second sentence;

(5) in the first sentence of paragraph (11), by striking '', including standards that will ensure sufficient State agency staff'';

(6) in paragraph (12), by striking the third sentence;

(7) in paragraph (14), by striking ''shall'' and inserting ''may'';

(8) in paragraph (17), by striking ''and to accommodate'' and all that follows through ''facilities'';

(9) in paragraph (19), by striking ''shall'' and inserting ''may''; and

(10) by redesignating paragraphs (3), (4), (5), (7), (9) through (19), (21), and (23), as so amended, as paragraphs (2), (3), (4), (5), (6) through (16), (17), and (18), respectively.

(f) INFORMATION.—Section 17(g) of the Act is amended—

(1) in paragraph (5), by striking ''the report required under subsection (d)(4)'' and inserting ''reports on program participant characteristics''; and

(2) by striking paragraph (6).

(g) PROCUREMENT OF INFANT FORMULA.—

(1) IN GENERAL.—Section 17(h) of the Act is amended—

(A) in paragraph (4)(E), by striking ''and, on'' and all that follows through ''(d)(4)'';

(B) in paragraph (8)—

(i) by striking subparagraphs (A), (C), and (M);

(ii) in subparagraph (G)—

(I) in clause (i), by striking ''(i)''; and

(II) by striking clauses (ii) through (ix);

(iii) in subparagraph (I), by striking ''Secretary—'' and all that follows through ''(v) may'' and inserting ''Secretary may'';

(iv) by redesignating subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(v) in subparagraph (A)(i), as so redesignated, by striking ''subparagraphs (C), (D), and (E)(iii), in carrying out subparagraph (A),'' and inserting ''subparagraphs (B) and (C)(iii),'';

(vi) in subparagraph (B)(i), as so redesignated, by striking ''subparagraph (B)'' each place it appears and inserting ''subparagraph (A)''; and

(vii) in subparagraph (C)(iii), as so redesignated, by striking ''subparagraph (B)'' and inserting ''subparagraph (A)''; and

(C) in paragraph (10)(A), by striking ''shall'' and inserting ''may''.

(2) APPLICATION.—The amendments made by paragraph (1) shall not apply to a contract for the procurement of infant formula under section 17(h)(8) of the Act that is in effect on the effective date of this subsection.

(h) NATIONAL ADVISORY COUNCIL ON MATERNAL, INFANT, AND FETAL NUTRITION.—Section 17(k)(3) of the Act is amended by striking ''Secretary shall designate'' and inserting ''Council shall elect''.

(i) COMPLETED STUDY; COMMUNITY COLLEGE DEMONSTRATION; GRANTS FOR INFORMATION AND DATA SYSTEM.—Section 17 of the Act is amended by striking subsections (n), (o), and (p).

(j) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—Section 17 of the Act, as so amended, is further amended by adding at the end the following:

''(n) DISQUALIFICATION OF VENDORS WHO ARE DISQUALIFIED UNDER THE FOOD STAMP PROGRAM.—

''(1) IN GENERAL.—The Secretary shall issue regulations providing criteria for the disqualification under this section of an approved vendor that is disqualified from accepting benefits under the food stamp program established under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).

''(2) TERMS.—A disqualification under paragraph (1)—

''(A) shall be for the same period as the disqualification from the program referred to in paragraph (1);

''(B) may begin at a later date than the disqualification from the program referred to in paragraph (1); and

''(C) shall not be subject to judicial or administrative review.''.

**SEC. 831. CASH GRANTS FOR NUTRITION EDUCATION.**

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.

**SEC. 832. NUTRITION EDUCATION AND TRAINING.**

(a) FINDINGS.—Section 19 of the Child Nutrition Act of 1966 (42 U.S.C. 1788) is amended—

(1) in subsection (a), by striking ''that—'' and all that follows through the period at the end and inserting ''that effective dissemination of scientifically valid information to children participating or eligible to participate in the school lunch and related child nutrition programs should be encouraged.''; and

(2) in subsection (b), by striking ''encourage'' and all that follows through ''establishing'' and inserting ''establish''.

(b) USE OF FUNDS.—Section 19(f) of the Act is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (B); and

(B) in subparagraph (A)—

(i) by striking ''(A)'';

(ii) by striking clauses (ix) through (xix);

(iii) by redesignating clauses (i) through (viii) and (xx) as subparagraphs (A) through (H) and (I), respectively; and

(iv) in subparagraph (H), as so redesignated, by inserting ''and'' at the end;

(2) by striking paragraphs (2) and (4); and

(3) by redesignating paragraph (3) as paragraph (2).

(c) ACCOUNTS, RECORDS, AND REPORTS.—The second sentence of section 19(g)(1) of the Act is amended by striking ''at all times be available'' and inserting ''be available at any reasonable time''.

(d) STATE COORDINATORS FOR NUTRITION; STATE PLAN.—Section 19(h) of the Act is amended—

(1) in the second sentence of paragraph (1)—

(A) by striking ''as provided in paragraph (2) of this subsection''; and

(B) by striking ''as provided in paragraph (3) of this subsection'';

(2) in paragraph (2), by striking the second and third sentences; and

(3) by striking paragraph (3).

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 19(i) of the Act is amended—

(1) in the first sentence of paragraph (2)(A), by striking ''and each succeeding fiscal year'';

(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (2) the following:

''(3) FISCAL YEARS 1997 THROUGH 2002.—

''(A) IN GENERAL.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 1997 through 2002.

''(B) GRANTS.—

''(i) IN GENERAL.—Grants to each State from the amounts made available under subparagraph (A) shall be based on a rate of 50 cents for each child enrolled in schools or institutions within the State, except that no State shall receive an amount less than $75,000 per fiscal year.

''(ii) INSUFFICIENT FUNDS.—If the amount made available for any fiscal year is insufficient to pay the amount to which each State is entitled under clause (i), the amount of each grant shall be ratably reduced.''.

(f) ASSESSMENT.—Section 19 of the Act is amended by striking subsection (j).

(g) EFFECTIVE DATE.—The amendments made by subsection (e) shall become effective on October 1, 1996.

**SEC. 833. BREASTFEEDING PROMOTION PROGRAM.**

Section 21 of the Child Nutrition Act of 1966 (42 U.S.C. 1790) is repealed.

## TITLE IX—FOOD STAMP PROGRAM AND RELATED PROGRAMS

**SEC. 901. DEFINITION OF CERTIFICATION PERIOD.**

Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by striking ''Except as provided'' and all that follows and inserting the following: ''The certification period shall not exceed 12 months, except that the certification period may be up to 24 months if all adult household members are elderly or disabled. A State agency shall have at least 1 contact with each certified household every 12 months.''.

**SEC. 902. EXPANDED DEFINITION OF ''COUPON''.**

Section 3(d) of the Food Stamp Act of 1977 (7 U.S.C. 2012(d)) is amended by striking ''or type of certificate'' and inserting ''type of certificate, authorization cards, cash or checks issued in lieu of coupons or access devices, including, but not limited to, electronic benefit transfer cards and personal identification numbers''.

**SEC. 903. TREATMENT OF CHILDREN LIVING AT HOME.**

The second sentence of section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended by striking ''(who are not themselves parents living with their children or married and living with their spouses)''.

**SEC. 904. ADJUSTMENT OF THRIFTY FOOD PLAN.**

The second sentence of section 3(o) of the Food Stamp Act of 1977 (7 U.S.C. 2012(o)) is amended—

(1) by striking ''shall (1) make'' and inserting the following:
''shall—

''(1) make'';

(2) by striking ''scale, (2) make'' and inserting the following:
''scale;

''(2) make'';

(3) by striking ''Alaska, (3) make'' and inserting the following:
''Alaska;

''(3) make''; and

(4) by striking ''Columbia, (4) through'' and all that follows through the end of the subsection and inserting the following:
''Columbia; and

''(4) on October 1, 1996, and each October 1 thereafter, adjust the cost of the diet to reflect the cost of the diet, in the preceding June, and round the result to the nearest lower dollar increment for each household size, except that on October 1, 1996, the Secretary may not reduce the cost of the diet in effect on September 30, 1996.''.

**SEC. 905. DEFINITION OF HOMELESS INDIVIDUAL.**

Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(s)(2)(C)) is amended by inserting ''for not more than 90 days'' after ''temporary accommodation''.

**SEC. 906. INCOME EXCLUSIONS.**

(a) EXCLUSION OF CERTAIN JTPA INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (d)—

(A) by striking ''and (16)'' and inserting ''(16)''; and

(B) by inserting before the period at the end the following: '', and (17) income received under the Job Training Partnership Act (29 U.S.C. 1501 et seq.) by a household member who is less than 19 years of age''; and

(2) in subsection (*l*), by striking ''under section 204(b)(1)(C)'' and all that follows and inserting ''shall be considered earned income for purposes of the food stamp program.''.

(b) EXCLUSION OF LIFE INSURANCE POLICIES.—Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

''(6) The Secretary shall exclude from financial resources the cash value of any life insurance policy owned by a member of a household.''.

(c) IN-TANDEM EXCLUSIONS FROM INCOME.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended by adding at the end the following:

''(n) Whenever a Federal statute enacted after the date of the enactment of this Act excludes funds from income for purposes of determining eligibility, benefit levels, or both under State plans approved under part A of title IV of the Social Security Act, then such funds shall be excluded from income for purposes of determining eligibility, benefit levels, or both, respectively, under the food stamp program of households all of whose members receive benefits under a State plan approved under part A of title IV of the Social Security Act.''.

**SEC. 907. DEDUCTIONS FROM INCOME.**

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended—

(1) in the 1st sentence—

(A) by striking ''$85'' and inserting ''$134'';

(B) by striking ''$145, $120, $170, and $75, respectively'' and inserting the following:
''$229, $189, $269, and $118, respectively, for fiscal year 1996; and a standard deduction of $120 a month for each household, except that households in Alaska, Hawaii, Guam, and the Virgin Islands of the United States shall be allowed a standard deduction of $200, $165, $234, and $103, respectively, for fiscal years thereafter, adjusted in accordance with this subsection'';

(2) in the 2nd sentence by striking ''Such'' and all that follows through ''each October 1 thereafter,'' and inserting ''On October 1, 2001, and on each October 1 thereafter, such standard deductions shall be adjusted'';

(3) by striking the 14th sentence; and

(4) by inserting after the 9th sentence the following:
''A State agency may make use of a standard utility allowance mandatory for all households with qualifying utility costs if the State agency has developed 1 or more standards that include the cost of heating and cooling and 1 or more standards that do not include the cost of heating and cooling, and if the Secretary finds that the standards will not result in an increased cost to the Secretary. A State agency that has not made the use of a standard utility allowance mandatory shall allow a household to switch, at the end of a certification period, between the standard utility allowance and a deduction based on the actual utility costs of the household.''.

**SEC. 908. VEHICLE ALLOWANCE.**

Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended to read as follows:

''(2) INCLUDED ASSETS.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary

shall, in prescribing inclusions in, and exclusions from, financial resources, follow the regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources).

''(B) ADDITIONAL INCLUDED ASSETS.—The Secretary shall include in financial resources—

''(i) any boat, snowmobile, or airplane used for recreational purposes;

''(ii) any vacation home;

''(iii) any mobile home used primarily for vacation purposes;

''(iv) subject to subparagraph (C), any licensed vehicle that is used for household transportation or to obtain or continue employment to the extent that the fair market value of the vehicle exceeds a level set by the Secretary, which shall be $4,600 beginning October 1, 1995, and adjusted on each October 1 thereafter to reflect changes in the new car component of the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics for the 12-month period ending on June 30 preceding the date of such adjustment and rounded to the nearest $50; and

''(v) any savings or retirement account (including an individual account), regardless of whether there is a penalty for early withdrawal.

''(C) EXCLUDED VEHICLES.—A vehicle (and any other property, real or personal, to the extent the property is directly related to the maintenance or use of the vehicle) shall not be included in financial resources under this paragraph if the vehicle is—

''(i) used to produce earned income;

''(ii) necessary for the transportation of a physically disabled household member; or

''(iii) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.''.

**SEC. 909. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.**

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(k)(2)) is amended—

(1) by striking subparagraph (F); and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

**SEC. 910. INCREASED PENALTIES FOR VIOLATING FOOD STAMP PROGRAM REQUIREMENTS.**

Section 6(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)) is amended—

(1) in clause (i)—

(A) by striking ''six months'' and inserting ''1 year''; and

(B) by adding ''and'' at the end; and

(2) striking clauses (ii) and (iii) and inserting the following:

''(ii) permanently upon—

''(I) the second occasion of any such determination; or

''(II) the first occasion of a finding by a Federal, State, or local court of the trading of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)), firearms, ammunition, or explosives for coupons.''.

**SEC. 911. DISQUALIFICATION OF CONVICTED INDIVIDUALS.**

Section 6(b)(1)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)), as amended by section 910, is amended—

(1) in subclause (I), by striking ''or'' at the end;

(2) in subclause (II), by striking the period at the end and inserting ''; or''; and

(3) by inserting after subclause (II) the following:

''(IV) a conviction of an offense under subsection (b) or (c) of section 15 involving an item covered by subsection (b) or (c) of section 15 having a value of $500 or more.''.

**SEC. 912. DISQUALIFICATION.**

(a) IN GENERAL.—Section 6(d) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)) is amended by striking ''(d)(1) Unless otherwise exempted by the provisions'' and all that follows through paragraph (1) and inserting the following:

''(d) CONDITIONS OF PARTICIPATION.—

''(1) WORK REQUIREMENTS.—

''(A) IN GENERAL.—No physically and mentally fit individual over the age of 15 and under the age of 60 shall be eligible to participate in the food stamp program if the individual—

''(i) refuses, at the time of application and every 12 months thereafter, to register for employment in a manner prescribed by the Secretary;

''(ii) refuses without good cause to participate in an employment and training program under paragraph (4), to the extent required by the State agency;

''(iii) refuses without good cause to accept an offer of employment, at a site or plant not subject to a strike or lockout at the time of the refusal, at a wage not less than the higher of—

''(I) the applicable Federal or State minimum wage; or

''(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment;

''(iv) refuses without good cause to provide a State agency with sufficient information to allow the State agency to determine the employment status or the job availability of the individual;

''(v) voluntarily and without good cause—

''(I) quits a job; or

''(II) reduces work effort and, after the reduction, the individual is working less than 30 hours per week; or

''(vi) fails to comply with section 20.

''(B) HOUSEHOLD INELIGIBILITY.—If an individual who is the head of a household becomes ineligible to participate in the food stamp program under subparagraph (A), the household shall, at the option of the State agency, become ineligible to participate in the food stamp program for a period, determined by the State agency, that does not exceed the lesser of—

''(i) the duration of the ineligibility of the individual determined under subparagraph (C); or

''(ii) 180 days.

''(C) DURATION OF INELIGIBILITY.—

''(i) FIRST VIOLATION.—The first time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 1 month after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 3 months after the date the individual became ineligible.

''(ii) SECOND VIOLATION.—The second time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 3 months after the date the individual became ineligible; or

''(III) a date determined by the State agency that is not later than 6 months after the date the individual became ineligible.

''(iii) THIRD OR SUBSEQUENT VIOLATION.—The third or subsequent time that an individual becomes ineligible to participate in the food stamp program under subparagraph (A), the individual shall remain ineligible until the later of—

''(I) the date the individual becomes eligible under subparagraph (A);

''(II) the date that is 6 months after the date the individual became ineligible;

''(III) a date determined by the State agency; or

''(IV) at the option of the State agency, permanently.

''(D) ADMINISTRATION.—

''(i) GOOD CAUSE.—The Secretary shall determine the meaning of good cause for the purpose of this paragraph.

''(ii) VOLUNTARY QUIT.—The Secretary shall determine the meaning of voluntarily quitting and reducing work effort for the purpose of this paragraph.

''(iii) DETERMINATION BY STATE AGENCY.—

''(I) IN GENERAL.—Subject to subclause (II) and clauses (i) and (ii), a State agency shall determine—

''(aa) the meaning of any term in subparagraph (A);

''(bb) the procedures for determining whether an individual is in compliance with a requirement under subparagraph (A); and

''(cc) whether an individual is in compliance with a requirement under subparagraph (A).

''(II) NOT LESS RESTRICTIVE.—A State agency may not determine a meaning, procedure, or determination under subclause (I) to be less restrictive than a comparable meaning, procedure, or determination under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(iv) STRIKE AGAINST THE GOVERNMENT.—For the purpose of subparagraph (A)(v), an employee of the Federal Government, a State, or a political subdivision of a State, who is dismissed for participating in a strike against the Federal Government, the State, or the political subdivision of the State shall be considered to have voluntarily quit without good cause.

''(v) SELECTING A HEAD OF HOUSEHOLD.—

''(I) IN GENERAL.—For the purpose of this paragraph, the State agency shall allow the household to select any adult parent of a child in the household as the head of the household if all adult household members making application under the food stamp program agree to the selection.

''(II) TIME FOR MAKING DESIGNATION.—A household may designate the head of the household under subclause (I) each time the household is certified for participation in the food stamp program, but may not change the designation during a certification period unless there is a change in the composition of the household.

''(vi) CHANGE IN HEAD OF HOUSEHOLD.—If the head of a household leaves the household during a period in which the household is ineligible to participate in the food stamp program under subparagraph (B)—

''(I) the household shall, if otherwise eligible, become eligible to participate in the food stamp program; and

''(II) if the head of the household becomes the head of another household, the household that becomes headed by the individual shall become ineligible to participate in the food stamp program for the remaining period of ineligibility.''.

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(2)) is amended by striking ''6(d)(1)(i)'' and inserting ''6(d)(1)(A)(i)''.

(2) Section 20(f) of the Food Stamp Act of 1977 (7 U.S.C. 2029(f)) is amended to read as follows:

''(f) DISQUALIFICATION.—An individual or a household may become ineligible under section 6(d)(1) to participate in the food

stamp program for failing to comply with this section.''.

**SEC. 913. CARETAKER EXEMPTION.**

Section 6(d)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(B)) is amended to read as follows: ''(B) a parent or other member of a household with responsibility for the care of (i) a dependent child under the age of 6 or any lower age designated by the State agency that is not under the age of 1, or (ii) an incapacitated person;''.

**SEC. 914. EMPLOYMENT AND TRAINING.**

(a) IN GENERAL.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended—

(1) in subparagraph (D)—

(A) in clause (i), by striking ''to which the application'' and all that follows through ''30 days or less'';

(B) in clause (ii), by striking ''but with respect'' and all that follows through ''child care''; and

(C) in clause (iii), by striking '', on the basis of'' and all that follows through ''clause (ii)'' and inserting ''the exemption continues to be valid'';

(2) in subparagraph (E), by striking the third sentence; AND

(3) by adding at the end the following:

''(O) Notwithstanding any other provision of this paragraph, the amount of Federal funds a State agency uses in any fiscal year after fiscal year 1996 to carry out this paragraph with respect to individuals who receive benefits under a State plan approved under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall not exceed the amount of Federal funds the State agency used in fiscal year 1995 to carry out this paragraph with respect to individuals who received benefits under such plan.''.

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by striking ''(h)(1)(A) The Secretary'' and all that follows through the end of paragraph (1) and inserting the following:

''(h) FUNDING OF EMPLOYMENT AND TRAINING PROGRAMS.—

''(1) IN GENERAL.—

''(A) AMOUNTS.—To carry out employment and training programs, the Secretary shall reserve for allocation to State agencies from funds made available for each fiscal year under section 18(a)(1) the amount of $150,000,000 for each of the fiscal years 1996 through 2002.

''(B) ALLOCATION.—The Secretary shall allocate the amounts reserved under subparagraph (A) among the State agencies using a reasonable formula (as determined by the Secretary) that gives consideration to the population in each State affected by section 6(o).

''(C) REALLOCATION.—

''(i) NOTIFICATION.—A State agency shall promptly notify the Secretary if the State agency determines that the State agency will not expend all of the funds allocated to the State agency under subparagraph (B).

''(ii) REALLOCATION.—On notification under clause (i), the Secretary shall reallocate the funds that the State agency will not expend as the Secretary considers appropriate and equitable.

''(D) MINIMUM ALLOCATION.—Notwithstanding subparagraphs (A) through (C), the Secretary shall ensure that each State agency operating an employment and training program shall receive not less than $50,000 in each fiscal year.''.

(d) REPORTS.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended—

(1) in paragraph (5)—

(A) by striking ''(5)(A) The Secretary'' and inserting ''(5) The Secretary''; and

(B) by striking subparagraph (B); and

(2) by striking paragraph (6).

**SEC. 915. COMPARABLE TREATMENT FOR DISQUALIFICATION.**

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by adding at the end the following:

''(i) COMPARABLE TREATMENT FOR DISQUALIFICATION.—

''(1) IN GENERAL.—If a disqualification is imposed on a member of a household for a failure of the member to perform an action required under a Federal, State, or local law relating to a means-tested public assistance program, the State agency may impose the same disqualification on the member of the household under the food stamp program.

''(2) RULES AND PROCEDURES.—If a disqualification is imposed under paragraph (1) for a failure of an individual to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of such Act to impose the same disqualification under the food stamp program.

''(3) APPLICATION AFTER DISQUALIFICATION PERIOD.—A member of a household disqualified under paragraph (1) may, after the disqualification period has expired, apply for benefits under this Act and shall be treated as a new applicant, except that a prior disqualification under subsection (d) shall be considered in determining eligibility.''.

(b) STATE PLAN PROVISIONS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24), by striking ''and'' at the end;

(2) in paragraph (25), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(26) the guidelines the State agency uses in carrying out section 6(i); and''.

(c) CONFORMING AMENDMENT.—Section 6(d)(2)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)(A)) is amended by striking ''that is comparable to a requirement of paragraph (1)''.

**SEC. 916. DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by section 915, is amended by adding at the end the following:

''(j) DISQUALIFICATION FOR RECEIPT OF MULTIPLE FOOD STAMP BENEFITS.—An individual shall be ineligible to participate in the food stamp program as a member of any household for a 10-year period if the individual is found by a State agency to have made, or is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or place of residence of the individual in order to receive multiple benefits simultaneously under the food stamp program.''.

**SEC. 917. DISQUALIFICATION OF FLEEING FELONS.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915 and 916, is amended by adding at the end the following:

''(k) DISQUALIFICATION OF FLEEING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the program as a member of that or any other household during any period during which the individual is—

''(1) fleeing to avoid prosecution, or custody or confinement after conviction, under the law of the place from which the individual is fleeing, for a crime, or attempt to commit a crime, that is a felony under the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a high misdemeanor under the law of New Jersey; or

''(2) violating a condition of probation or parole imposed under a Federal or State law.''.

**SEC. 918. COOPERATION WITH CHILD SUPPORT AGENCIES.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, and 917, is amended by adding at the end the following:

''(*l*) CUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

''(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), no natural or adoptive parent or other individual (collectively referred to in this subsection as 'the individual') who is living with and exercising parental control over a child under the age of 18 who has an absent parent shall be eligible to participate in the food stamp program unless the individual cooperates with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

''(A) in establishing the paternity of the child (if the child is born out of wedlock); and

''(B) in obtaining support for—

''(i) the child; or

''(ii) the individual and the child.

''(2) GOOD CAUSE FOR NONCOOPERATION.—Paragraph (1) shall not apply to the individual if good cause is found for refusing to cooperate, as determined by the State agency in accordance with standards prescribed by the Secretary in consultation with the Secretary of Health and Human Services. The standards shall take into consideration circumstances under which cooperation may be against the best interests of the child.

''(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

''(m) NONCUSTODIAL PARENT'S COOPERATION WITH CHILD SUPPORT AGENCIES.—

''(1) IN GENERAL.—At the option of a State agency, subject to paragraphs (2) and (3), a putative or identified noncustodial parent of a child under the age of 18 (referred to in this subsection as 'the individual') shall not be eligible to participate in the food stamp program if the individual refuses to cooperate with the State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)—

''(A) in establishing the paternity of the child (if the child is born out of wedlock); and

''(B) in providing support for the child.

''(2) REFUSAL TO COOPERATE.—

''(A) GUIDELINES.—The Secretary, in consultation with the Secretary of Health and Human Services, shall develop guidelines on what constitutes a refusal to cooperate under paragraph (1).

''(B) PROCEDURES.—The State agency shall develop procedures, using guidelines developed under subparagraph (A), for determining whether an individual is refusing to cooperate under paragraph (1).

''(3) FEES.—Paragraph (1) shall not require the payment of a fee or other cost for services provided under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.).

''(4) PRIVACY.—The State agency shall provide safeguards to restrict the use of information collected by a State agency administering the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to purposes for which the information is collected.''.

**SEC. 919. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.**

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, 917 and 918, is amended by adding at the end the following:

''(o) DISQUALIFICATION FOR CHILD SUPPORT ARREARS.—

''(1) IN GENERAL.—At the option of a State agency, except as provided in paragraph (2), no individual shall be eligible to participate in the food stamp program as a member of any household during any month that the individual is delinquent in any payment due under a court order for the support of a child of the individual.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply if—

''(A) a court is allowing the individual to delay payment; or

''(B) the individual is complying with a payment plan approved by a court or the State agency designated under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.) to provide support for the child of the individual.''.

**SEC. 920. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.**

(a) IN GENERAL.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as amended by sections 915, 916, 917, 918, and 919, is amended by adding at the end the following:

''(p) WORK REQUIREMENT.—

''(1) DEFINITION OF WORK PROGRAM.—In this subsection, the term 'work program' means—

''(A) a program under the Job Training Partnership Act (29 U.S.C. 1501 et seq.);

''(B) a program under section 236 of the Trade Act of 1974 (19 U.S.C. 2296); or

''(C) a program of employment or training operated or supervised by a State or local government, as determined appropriate by the Secretary.

''(2) WORK REQUIREMENT.—No individual shall be eligible to participate in the food stamp program as a member of any household if, during the preceding 12 months, the individual received food stamp benefits for not less than 6 months during which the individual did not—

''(A) work 20 hours or more per week, averaged monthly;

''(B) participate in a workfare program under section 20 or a comparable State or local workfare program;

''(C) participate in and comply with the requirements of an approved employment and training program under subsection (d)(4); or

''(D) participate in and comply with the requirements of a work program for 20 hours or more per week.

''(3) EXCEPTION.—Paragraph (2) shall not apply to an individual if the individual is—

''(A) under 18 or over 50 years of age;

''(B) medically certified as physically or mentally unfit for employment;

''(C) a parent or other member of a household with a dependent child under 18 years of age; or

''(D) otherwise exempt under subsection (d)(2).

''(4) WAIVER.—

''(A) IN GENERAL.—The Secretary may waive the applicability of paragraph (2) to any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

''(i) has an unemployment rate of over 8 percent; or

''(ii) does not have a sufficient number of jobs to provide employment for the individuals.

''(B) REPORT.—The Secretary shall report the basis for a waiver under subparagraph (A) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.''.

(b) WORK AND TRAINING PROGRAMS.—Section 6(d)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)) is amended by adding at the end the following:

''(O) REQUIRED PARTICIPATION IN WORK AND TRAINING PROGRAMS.—A State agency shall provide an opportunity to participate in the employment and training program under this paragraph to any individual who would otherwise become subject to disqualification under subsection (p).

''(P) COORDINATING WORK REQUIREMENTS.—

''(i) IN GENERAL.—Notwithstanding any other provision of this paragraph, a State agency that meets the participation requirements of clause (ii) may operate the employment and training program of the State for individuals who are members of households receiving allotments under this Act as part of a program operated by the State under part F of title IV of the Social Security Act (42 U.S.C. 681 et seq.), subject to the requirements of such Act.

''(ii) PARTICIPATION REQUIREMENTS.—A State agency may exercise the option under clause (i) if the State agency provides an opportunity to participate in an approved employment and training program to an individual who is—

''(I) subject to subsection (p);

''(II) not employed at least an average of 20 hours per week;

''(III) not participating in a workfare program under section 20 (or a comparable State or local program); and

''(IV) not subject to a waiver under subsection (i)(4).''.

**SEC. 921. ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.**

(a) IN GENERAL.—Section 7(i) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)) is amended—

(1) by amending paragraph (1) to read as follows:

''(1) ELECTRONIC BENEFIT TRANSFERS.—

''(A) IMPLEMENTATION.—Each State agency shall implement an electronic benefit transfer system in which household benefits determined under section 8(a) or 24 are issued from and stored in a central databank before October 1, 2002, unless the Secretary provides a waiver for a State agency that faces unusual barriers to implementing an electronic benefit transfer system.

''(B) TIMELY IMPLEMENTATION.—State agencies are encouraged to implement an electronic benefit transfer system under subparagraph (A) as soon as practicable.

''(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

''(D) OPERATION.—An electronic benefit transfer system should take into account generally accepted standard operating rules based on—

''(i) commercial electronic funds transfer technology;

''(ii) the need to permit interstate operation and law enforcement monitoring; and

''(iii) the need to permit monitoring and investigations by authorized law enforcement agencies.'';

(2) in paragraph (2)—

(A) by striking ''effective no later than April 1, 1992,'';

(B) in subparagraph (A)—

(i) by striking '', in any 1 year,''; and

(ii) by striking ''on-line'';

(F) by adding at the end the following:

''(I) procurement standards.''; and

(3) by adding at the end the following:

''(7) REPLACEMENT OF BENEFITS.—Regulations issued by the Secretary regarding the replacement of benefits and liability for replacement of benefits under an electronic benefit transfer system shall be similar to the regulations in effect for a paper food stamp issuance system.''.

(b) SENSE OF CONGRESS.—It is the sense of Congress that a State that operates an electronic benefit transfer system under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) should operate the system in a manner that is compatible with electronic benefit transfer systems operated by other States.

**SEC. 922. VALUE OF MINIMUM ALLOTMENT.**

The proviso in section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by striking '', and shall be adjusted'' and all that follows through ''$5''.

**SEC. 923. BENEFITS ON RECERTIFICATION.**

Section 8(c)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(B)) is amended by striking ''of more than one month''.

**SEC. 924. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.**

Section 8(c)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(3)) is amended to read as follows:

''(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may provide to an eligible household applying after the 15th day of a month, in lieu of the initial allotment of the household and the regular allotment of the household for the following month, an allotment that is equal to the total amount of the initial allotment and the first regular allotment. The allotment shall be provided in accordance with section 11(e)(3) in the case of a household that is not entitled to expedited service and in accordance with paragraphs (3) and (9) of section 11(e) in the case of a household that is entitled to expedited service.''.

**SEC. 925. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.**

Section 8(d) of the Food Stamp Act of 1977 (7 U.S.C. 2017(d)) is amended to read as follows:

''(d) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

''(1) IN GENERAL.—If the benefits of a household are reduced under a Federal, State, or local law relating to a means-tested public assistance program for the failure of a member of the household to perform an action required under the law or program, for the duration of the reduction—

''(A) the household may not receive an increased allotment as the result of a decrease in the income of the household to the extent that the decrease is the result of the reduction; and

''(B) the State agency may reduce the allotment of the household by not more than 25 percent.

''(2) RULES AND PROCEDURES.—If the allotment of a household is reduced under this subsection for a failure to perform an action required under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may use the rules and procedures that apply under part A of title IV of such Act to reduce the allotment under the food stamp program.''.

**SEC. 926. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.**

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

''(1) IN GENERAL.—In the case of an individual who resides in a center for the purpose of a drug or alcoholic treatment program described in the last sentence of section 3(i), a State agency may provide an allotment for the individual to—

''(A) the center as an authorized representative of the individual for a period that is less than 1 month; and

''(B) the individual, if the individual leaves the center.

''(2) DIRECT PAYMENT.—A State agency may require an individual referred to in paragraph (1) to designate the center in which the individual resides as the authorized representative of the individual for the purpose of receiving an allotment.''.

**SEC. 927. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.**

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)) is amended by adding at the end the following:

''The Secretary is authorized to issue regulations establishing specific time periods during which authorization to accept and redeem coupons under the food stamp program shall be valid.''.

**SEC. 928. SPECIFIC PERIOD FOR PROHIBITING PARTICIPATION OF STORES BASED ON LACK OF BUSINESS INTEGRITY.**

Section 9(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2018(a)(1)), as amended by section 927, is amended by adding at the end the following:

''The Secretary is authorized to issue regulations establishing specific time periods during which a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied or that has such an approval withdrawn on the basis of business integrity and reputation cannot submit a new application for approval. Such periods shall reflect the severity of business integrity infractions that are the basis of such denials or withdrawals.''.

**SEC. 929. INFORMATION FOR VERIFYING ELIGIBILITY FOR AUTHORIZATION.**

Section 9(c) of the Food Stamp Act of 1977 (7 U.S.C. 2018(c)) is amended—

(1) in the 1st sentence by inserting '', which may include relevant income and sales tax filing documents,'' after ''submit information'' ; and

(2) by inserting after the 1st sentence the following:

''The regulations may require retail food stores and wholesale food concerns to provide written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources in order that the accuracy of information provided by such stores and concerns may be verified.''.

**SEC. 930. WAITING PERIOD FOR STORES THAT INITIALLY FAIL TO MEET AUTHORIZATION CRITERIA.**

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following:

''Regulations issued pursuant to this Act shall prohibit a retail food store or wholesale food concern that has an application for approval to accept and redeem coupons denied because it does not meet criteria for approval established by the Secretary in regulations from submitting a new application for six months from the date of such denial.''.

**SEC. 931. OPERATION OF FOOD STAMP OFFICES.**

Section 11(e)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)) is amended to read as follows:

''(2)(A) that the State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serve households in the State, including households with special needs, such as households with elderly or disabled members, households in rural areas with low-income members, homeless individuals, households residing on reservations, and households in areas in which a substantial number of members of low-income households speak a language other than English.

''(B) In carrying out subparagraph (A), a State agency—

''(i) shall provide timely, accurate, and fair service to applicants for, and participants in, the food stamp program;

''(ii) shall develop an application containing the information necessary to comply with this Act;

''(iii) shall permit an applicant household to apply to participate in the program on the same day that the household first contacts a food stamp office in person during office hours;

''(iv) shall consider an application that contains the name, address, and signature of the applicant to be filed on the date the applicant submits the application;

''(v) shall require that an adult representative of each applicant household certify in writing, under penalty of perjury, that—

''(I) the information contained in the application is true; and

''(II) all members of the household are citizens or are aliens eligible to receive food stamps under section 6(f);

''(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals, to ensure that participation in the food stamp program is limited to eligible households; and

''(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State.

''(C) Nothing in this Act shall prohibit the use of signatures provided and maintained electronically, storage of records using automated retrieval systems only, or any other feature of a State agency's application system that does not rely exclusively on the collection and retention of paper applications or other records.

''(D) The signature of any adult under this paragraph shall be considered sufficient to comply with any provision of Federal law requiring a household member to sign an application or statement.'';

(2) in the last sentence of subsection (i) by striking ''No'' and inserting ''Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no''.

**SEC. 932. MANDATORY CLAIMS COLLECTION METHODS.**

(a) ADMINISTRATION.—Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended by inserting ''or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code'' before the semicolon at the end.

(b) COLLECTION OF CLAIMS.—Section 13(d) of the Food Stamp Act of 1977 (7 U.S.C. 2022(d)) is amended—

(1) by striking ''may'' and inserting ''shall''; and

(2) by inserting ''or refunds of Federal taxes as authorized pursuant to section 3720A of title 31 of the United States Code'' before the period at the end.

(c) RELATED AMENDMENTS.—Section 6103(1) of the Internal Revenue Code (26 U.S.C. 6103(1)) is amended—

(1) by striking ''officers and employees'' in paragraph (10)(A) and inserting ''officers, employees or agents, including State agencies''; and

(2) by striking ''officers and employees'' in paragraph (10)(B) and inserting ''officers, employees or agents, including State agencies''.

**SEC. 933. EXCHANGE OF LAW ENFORCEMENT INFORMATION.**

Section 11(e)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(8)) is amended—

(1) by striking ''that (A) such'' and inserting the following:

''that—

''(A) the'';

(2) by striking ''law, (B) notwithstanding'' and inserting the following:

''law;

''(B) notwithstanding'';

(3) by striking ''Act, and (C) such'' and inserting the following:

''Act;

''(C) the''; and

(4) by adding at the end the following:

''(D) notwithstanding any other provision of law, the address, social security number, and, if available, photograph of any member of a household shall be made available, on request, to any Federal, State, or local law enforcement officer if the officer furnishes the State agency with the name of the member and notifies the agency that—

''(i) the member—

''(I) is fleeing to avoid prosecution, or custody or confinement after conviction, for a crime (or attempt to commit a crime) that, under the law of the place the member is fleeing, is a felony (or, in the case of New Jersey, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

''(II) has information that is necessary for the officer to conduct an official duty related to subclause (I);

''(ii) locating or apprehending the member is an official duty; and

''(iii) the request is being made in the proper exercise of an official duty; and

''(E) the safeguards shall not prevent compliance with paragraph (16);''.

**SEC. 934. EXPEDITED COUPON SERVICE.**

Section 11(e)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(9)) is amended—

(1) in subparagraph (A)—

(A) by striking ''five days'' and inserting ''7 days''; and

(B) by inserting ''and'' at the end;

(2) by striking subparagraph (B);

(3) in subparagraph (D) by striking '', (B), or (C)'' and inserting ''or (B)''; and

(4) by redesignating subparagraphs (C) and (D) as subparagraphs (B) and (C), respectively.

**SEC. 935. WITHDRAWING FAIR HEARING REQUESTS.**

Section 11(e)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(10)) is amended by inserting before the semicolon at the end a period and the following: ''At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw, orally or in writing, a request by the household for the fair hearing. If the withdrawal request is an oral request, the State agency shall provide a written notice to the household confirming the withdrawal request and providing the household with an opportunity to request a hearing''.

**SEC. 936. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEMS.**

Section 11(e)(19) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(19)) is amended by striking ''that information is'' and inserting ''at the option of the State agency, that information may be''.

**SEC. 937. BASES FOR SUSPENSIONS AND DISQUALIFICATIONS.**

Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)) is amended by adding at the end the following:

''Regulations issued pursuant to this Act shall provide criteria for the finding of violations and the suspension or disqualification of a retail food store or wholesale food concern on the basis of evidence which may include, but is not limited to, facts established through on-site investigations, inconsistent redemption data, or evidence obtained

through transaction reports under electronic benefit transfer systems.''.

**SEC. 938. AUTHORITY TO SUSPEND STORES VIOLATING PROGRAM REQUIREMENTS PENDING ADMINISTRATIVE AND JUDICIAL REVIEW.**

(a) SUSPENSION AUTHORITY.—Section 12(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended by section 937, is amended by adding at the end the following:

''Such regulations may establish criteria under which the authorization of a retail food store or wholesale food concern to accept and redeem coupons may be suspended at the time such store or concern is initially found to have committed violations of program requirements. Such suspension may coincide with the period of a review as provided in section 14. The Secretary shall not be liable for the value of any sales lost during any suspension or disqualification period.''.

(b) CONFORMING AMENDMENT.—Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended—

(1) in the 1st sentence by inserting ''suspended,'' before ''disqualified or subjected'';

(2) in the 5th sentence by inserting before the period at the end the following:

'', except that in the case of the suspension of a retail food store or wholesale food concern pursuant to section 12(a), such suspension shall remain in effect pending any administrative or judicial review of the proposed disqualification action, and the period of suspension shall be deemed a part of any period of disqualification which is imposed.''; and

(3) by striking the last sentence.

**SEC. 939. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED FROM THE WIC PROGRAM.**

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

''(g) The Secretary shall issue regulations providing criteria for the disqualification of approved retail food stores and wholesale food concerns that are otherwise disqualified from accepting benefits under the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) authorized under section 17 of the Child Nutrition Act of 1966. Such disqualification—

''(1) shall be for the same period as the disqualification from the WIC Program;

''(2) may begin at a later date; and

''(3) notwithstanding section 14 of this Act, shall not be subject to administrative or judicial review.''.

**SEC. 940. PERMANENT DEBARMENT OF RETAILERS WHO INTENTIONALLY SUBMIT FALSIFIED APPLICATIONS.**

Section 12 of the Food Stamp Act of 1977 (7 U.S.C. 2021), as amended by section 939, is amended by adding at the end the following:

''(h) The Secretary shall issue regulations providing for the permanent disqualification of a retail food store or wholesale food concern that is determined to have knowingly submitted an application for approval to accept and redeem coupons which contains false information about one or more substantive matters which were the basis for providing approval. Any disqualification imposed under this subsection shall be subject to administrative and judicial review pursuant to section 14, but such disqualification shall remain in effect pending such review.''.

**SEC. 941. EXPANDED CIVIL AND CRIMINAL FORFEITURE FOR VIOLATIONS OF THE FOOD STAMP ACT.**

(a) FORFEITURE OF ITEMS EXCHANGED IN FOOD STAMP TRAFFICKING.—Section 15(g) of the Food Stamp Act of 1977 (7 U.S.C. 2024(g)) is amended by striking ''or intended to be furnished''.

(b) CIVIL AND CRIMINAL FORFEITURE.—Section 15 of the Food Stamp Act of 1977 (7 U.S.C. 2024)) is amended by adding at the end the following:

''(h)(1) CIVIL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

''(A) Any food stamp benefits and any property, real or personal—

''(i) constituting, derived from, or traceable to any proceeds obtained directly or indirectly from, or

''(ii) used, or intended to be used, to commit, or to facilitate,

the commission of a violation of subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall be subject to forfeiture to the United States.

''(B) The provisions of chapter 46 of title 18, United States Code, relating to civil forfeitures shall extend to a seizure or forfeiture under this subsection, insofar as applicable and not inconsistent with the provisions of this subsection.

''(2) CRIMINAL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—

''(A)(i) Any person convicted of violating subsection (b) or subsection (c) involving food stamp benefits having an aggregate value of not less than $5,000, shall forfeit to the United States, irrespective of any State law—

''(I) any food stamp benefits and any property constituting, or derived from, or traceable to any proceeds such person obtained directly or indirectly as a result of such violation; and

''(II) any food stamp benefits and any of such person's property used, or intended to be used, in any manner or part, to commit, or to facilitate the commission of such violation.

''(ii) In imposing sentence on such person, the court shall order that the person forfeit to the United States all property described in this subsection.

''(B) All food stamp benefits and any property subject to forfeiture under this subsection, any seizure and disposition thereof, and any administrative or judicial proceeding relating thereto, shall be governed by subsections (b), (c), (e), and (g) through (p) of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), insofar as applicable and not inconsistent with the provisions of this subsection.

''(3) APPLICABILITY.—This subsection shall not apply to property specified in subsection (g) of this section.

''(4) RULES.—The Secretary may prescribe such rules and regulations as may be necessary to carry out this subsection.''.

**SEC. 942. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RETAILERS.**

(a) AMENDMENT TO SOCIAL SECURITY ACT.—Section 205(c)(2)(C)(iii) of the Social Security Act (42 U.S.C. 405(c)(2)(C)(iii)), as amended by section 316(a) of the Social Security Administrative Reform Act of 1994 (Public Law 103–296; 108 Stat. 1464), is amended—

(1) by inserting in the 1st sentence of subclause (II) after ''instrumentality of the United States'' the following: '', or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)'';

(2) by inserting in the last sentence of subclause (II) immediately after ''other Federal'' the words ''or State''; and

(3) by inserting ''or a State'' in subclause (III) immediately after ''United States''.

(b) AMENDMENT TO INTERNAL REVENUE CODE OF 1986.—Section 6109(f)(2) of the Internal Revenue Code of 1986 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administrative Reform Act of 1994 (Public Law 103–296; 108 Stat. 1464)) is amended—

(1) by inserting in subparagraph (A) after ''instrumentality of the United States'' the following: '', or State government officers and employees with law enforcement or investigative responsibilities, or State agencies that have the responsibility for administering the Special Supplemental Nutrition Program for Women, Infants and Children (WIC)'';

(2) in the last sentence of subparagraph (A) by inserting ''or State'' after ''other Federal''; and

(3) in subparagraph (B) by inserting ''or a State'' after ''United States''.

**SEC. 943. LIMITATION OF FEDERAL MATCH.**

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)) is amended by inserting after the comma at the end the following: ''but not including recruitment activities,''.

**SEC. 944. COLLECTION OF OVERISSUANCES.**

Section 16(a) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)) is amended by striking ''25 percent during the period beginning October 1, 1990'' and all that follows through ''error of a State agency'' and inserting the following: ''25 percent of the overissuances collected by the State agency under section 13, except those overissuances arising from an error of the State agency''.

**SEC. 945. STANDARDS FOR ADMINISTRATION.**

(a) IN GENERAL.—Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—

(1) The 1st sentence of section 11(g) of the Food Stamp Act of 1977 (7 U.S.C. 2020(g)) is amended by striking ''the Secretary's standards for the efficient and effective administration of the program established under section 16(b)(1) or''.

(2) Section 16(c)(1)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(1)(B)) is amended by striking ''pursuant to subsection (b)''.

**SEC. 946. RESPONSE TO WAIVERS.**

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

''(C) RESPONSE TO WAIVERS.—

''(i) RESPONSE.—Not later than 60 days after the date of receiving a request for a waiver under subparagraph (A), the Secretary shall provide a response that—

''(I) approves the waiver request;

''(II) denies the waiver request and explains any modification needed for approval of the waiver request;

''(III) denies the waiver request and explains the grounds for the denial; or

''(IV) requests clarification of the waiver request.

''(ii) FAILURE TO RESPOND.—If the Secretary does not provide a response in accordance with clause (i), the waiver shall be considered approved, unless the approval is specifically prohibited by this Act.

''(iii) NOTICE OF DENIAL.—On denial of a waiver request under clause (i)(III), the Secretary shall provide a copy of the waiver request and a description of the reasons for the denial to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.''.

**SEC. 947. AUTHORIZATION OF APPROPRIATIONS.**

The 1st sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1991 through 1997'' and inserting ''1996 through 2002''.

**SEC. 948. AUTHORIZE STATES TO OPERATE SIMPLIFIED FOOD STAMP PROGRAMS.**

(a) AUTHORITY FOR PROGRAM.—The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

**"SEC. 24. SIMPLIFIED FOOD STAMP PROGRAM.**

''(a) DEFINITION.—In this section, the term 'Federal costs' does not include any Federal costs incurred under section 17.

''(b) STATE OPTION.—Subject to subsection (d), a State may elect to carry out a simplified food stamp program for households described in subsection (c)(1), statewide or in a political subdivision of the State, in accordance with this section.

''(c) PROGRAM REQUIREMENTS.—If a State elects to carry out such simplified food stamp program, within the State or a political subdivision of the State—

''(1) only households in which all members receive assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) shall receive benefits under this section. Such households shall be automatically eligible to participate in such simplified food stamp program; and

''(2) subject to subsection (f), benefits under such simplified food stamp program shall be determined under rules and procedures established by the State under—

''(A) a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.);

''(B) the food stamp program; or

''(C) a combination of a State program funded under part A of title IV of the Social Security Act (42 US..C. 601 et seq.) and the food stamp program.

''(d) STATE PLAN.—(1) A State may not operate such simplified food stamp program unless the Secretary approves a State plan for the operation of such simplified food stamp program under paragraph (2).

''(2) The Secretary is authorized to approve any State plan to carry out such simplified food stamp program if the Secretary determines that the plan—

''(A) simplifies program administration while fulfilling the goals of the food stamp program to permit low-income households to obtain a more nutritious diet;

''(B) complies with this section;

''(C) would not increase Federal costs for any fiscal year; and

''(D) would not substantially alter, as determined by the Secretary, the appropriate distribution of benefits according to household need.

''(e) COST DETERMINATION.—(1) During each fiscal year and not later than 90 days after the end of each fiscal year, the Secretary shall determine using data provided by the State deemed appropriate by the Secretary whether such simplified food stamp program being carried out by a State is increasing Federal costs under this Act above what the costs would have been for the same population had they been subject to the rules of the food stamp program.

''(2) If the Secretary determines that such simplified food stamp program has increased Federal costs under this Act for any fiscal year or any portion of any fiscal year, the Secretary shall notify the State not later than 30 days after the Secretary makes the determination under paragraph (1).

''(3)(A) Not later than 90 days after the date of a notification under paragraph (2), the State shall submit a plan for approval by the Secretary for prompt corrective action that is designed to prevent such simplified food stamp program from increasing Federal costs under this Act.

''(B) If the State does not submit a plan under subparagraph (A) or carry out a plan approved by the Secretary, the Secretary shall terminate the approval of the State operating such simplified food stamp program and the State shall be ineligible to operate a future Simplified Program.

''(f) RULES AND PROCEDURES.—(1) In operating such simplified food stamp program, a State or political subdivision of a State may follow the rules and procedures established by the State or political subdivision under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under the food stamp program.

''(2) In operating such simplified food stamp program, a State or political subdivision shall comply with the requirements of—

''(A) section 5(e) to the extent that it requires an excess shelter expense deduction;

''(B) subsections (a) through (g) of section 7;

''(C) section 8(a) (except that the income of a household may be determined under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.));

''(D) subsections (b) and (d) of section 8;

''(E) subsections (a), (c), (d), and (n) of section 11;

''(F) paragraphs (8), (9), (12), (18), (20), (24), and (25) of section 11(e);

''(G) section 11(e)(2), to the extent that it requires the State agency to provide an application to households on the 1st day they contact a food stamp office in person during office hours to make what may reasonably be interpreted as an oral or written request for food stamp assistance and to allow those households to file such application on the same day;

''(H) section 11(e)(3), to the extent that it requires the State agency to complete certification of an eligible household and provide an allotment retroactive to the period of application to an eligible household not later than 30 days following the filing of an application;

''(I) section 11(e)(10) (or a comparable requirement established by the State under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

''(J) section 16.

''(3) Notwithstanding any other provision of this section, a household may not receive benefits under this section as a result of the eligibility of the household under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), unless the Secretary determines that any household with income above 130 percent of the poverty guidelines is not eligible for such simplified food stamp program.''.

(b) REPEALER.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by striking subsection (e).

(c) REQUIREMENTS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking ''and'' at the end;

(2) in paragraph (25) by striking the period at the end; and

(3) by adding at the end the following:

''(26) if a State elects to carry out a simplified food stamp program under section 24, the plan of the State agency for operating such simplified food stamp program, including—

''(A) the rules and procedures to be followed by the State to determine food stamp benefits; and

''(B) a description of the method by which the State will carry out a quality control system under section 16(c).''.

(d) REPEAL OF DEMONSTRATION PROJECTS.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by—

(1) by striking subsection (i); and

(2) redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

**SEC. 949. EMERGENCY FOOD ASSISTANCE PROGRAM.**

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) is amended to read as follows:

**"SEC. 201A. DEFINITIONS.**

''In this Act:

''(1) ADDITIONAL COMMODITIES.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203D.

''(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the average monthly number of unemployed persons in each State in the most recent fiscal year for which information concerning the number of unemployed persons is available, as determined by the Bureau of Labor Statistics of the Department of Labor.

''(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization—

''(A) that administers—

''(i) an emergency feeding organization;

''(ii) a charitable institution (including a hospital and a retirement home, but excluding a penal institution) to the extent that the institution serves needy persons;

''(iii) a summer camp for children, or a child nutrition program providing food service;

''(iv) a nutrition project operating under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.), including a project that operates a congregate nutrition site and a project that provides home-delivered meals; or

''(v) a disaster relief program;

''(B) that has been designated by the appropriate State agency, or by the Secretary; and

''(C) that has been approved by the Secretary for participation in the program established under this Act.

''(4) EMERGENCY FEEDING ORGANIZATION.—The term 'emergency feeding organization' means a public or nonprofit organization that administers activities and projects (including the activities and projects of a charitable institution, a food bank, a food pantry, a hunger relief center, a soup kitchen, or a similar public or private nonprofit eligible recipient agency) providing nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons.

''(5) FOOD BANK.—The term 'food bank' means a public or charitable institution that maintains an established operation involving the provision of food or edible commodities, or the products of food or edible commodities, to food pantries, soup kitchens, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food to feed needy persons on a regular basis.

''(6) FOOD PANTRY.—The term 'food pantry' means a public or private nonprofit organization that distributes food to low-income and unemployed households, including food from sources other than the Department of Agriculture, to relieve situations of emergency and distress.

''(7) POVERTY LINE.—The term 'poverty line' has the same meaning given the term in section 673(2) of the Community Services Block Grant Act (42 U.S.C. 9902(2)).

''(8) SOUP KITCHEN.—The term 'soup kitchen' means a public or charitable institution that, as an integral part of the normal activities of the institution, maintains an established feeding operation to provide food to needy homeless persons on a regular basis.

''(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term 'total value of additional commodities' means the actual cost of all additional commodities made available under section 214 that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).

''(10) VALUE OF ADDITIONAL COMMODITIES ALLOCATED TO EACH STATE.—The term 'value of additional commodities allocated to each State' means the actual cost of additional commodities made available under section 214 and allocated to each State that are paid by the Secretary (including the distribution and processing costs incurred by the Secretary).''.

(b) STATE PLAN.—Section 202A of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended to read as follows:

**''SEC. 202A. STATE PLAN.**

''(a) IN GENERAL.—To receive commodities under this Act, a State shall submit a plan of operation and administration every 4 years to the Secretary for approval. The plan may be amended at any time, with the approval of the Secretary.

''(b) REQUIREMENTS.—Each plan shall—

''(1) designate the State agency responsible for distributing the commodities received under this Act;

''(2) set forth a plan of operation and administration to expeditiously distribute commodities under this Act;

''(3) set forth the standards of eligibility for recipient agencies; and

''(4) set forth the standards of eligibility for individual or household recipients of commodities, which shall require—

''(A) individuals or households to be comprised of needy persons; and

''(B) individual or household members to be residing in the geographic location served by the distributing agency at the time of applying for assistance.

''(c) STATE ADVISORY BOARD.—The Secretary shall encourage each State receiving commodities under this Act to establish a State advisory board consisting of representatives of all interested entities, both public and private, in the distribution of commodities received under this Act in the State.''.

(c) AUTHORIZATION OF APPROPRIATIONS FOR ADMINISTRATIVE FUNDS.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended—

(1) in the 1st sentence—

(A) by striking ''1991 through 1995'' and inserting ''1996 through 2002''; and

(B) by striking ''for State and local'' and all that follows through ''under this title'' and inserting ''to pay for the direct and indirect administrative costs of the State related to the processing, transporting, and distributing to eligible recipient agencies of commodities provided by the Secretary under this Act and commodities secured from other sources''; and

(2) by striking the fourth sentence.

(d) TECHNICAL AMENDMENTS.—The Emergency Food Assistance Act of 1983 (Public Law 98–8; 7 U.S.C. 612c note) (7 U.S.C. 612c note) is amended—

(1) in the 1st sentence of section 203B(a), by striking ''203 and 203A of this Act'' and inserting ''203A'';

(2) in section 204(a), by striking ''title'' each place it appears and inserting ''Act''; and

(3) by striking section 212.

(e) REPORT ON EFAP.—Section 1571 of the Food Security Act of 1985 (Public Law 99–198; 7 U.S.C. 612c note) is repealed.

**SEC. 950. FOOD BANK DEMONSTRATION PROJECT.**

Section 3 of the Charitable Assistance and Food Bank Act of 1987 (Public Law 100–232; 7 U.S.C. 612c note) is repealed.

**SEC. 951. REPORT ON ENTITLEMENT COMMODITY PROCESSING.**

Section 1773 of the Food, Agriculture, Conservation, and Trade Act of 1990 (Public Law 101–624; 7 U.S.C. 612c note) is amended by striking subsection (f).

## TITLE X—MISCELLANEOUS

**SEC. 1001. EXPENDITURE OF FEDERAL FUNDS IN ACCORDANCE WITH LAWS AND PROCEDURES APPLICABLE TO EXPENDITURE OF STATE FUNDS.**

(a) IN GENERAL.—Notwithstanding any other provision of law, any funds received by a State under the provisions of law specified in subsection (b) shall be expended only in accordance with the laws and procedures applicable to expenditures of the State's own revenues, including appropriation by the State legislature, consistent with the terms and conditions required under such provisions of law.

(b) PROVISIONS OF LAW.—The provisions of law specified in this subsection are the following:

(1) Part A of title IV of the Social Security Act (relating to block grants for temporary assistance for needy families).

(2) Section 25 of the Food Stamp Act of 1977 (relating to the optional State food assistance block grant).

(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care).

**SEC. 1002. ELIMINATION OF HOUSING ASSISTANCE WITH RESPECT TO FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.**

(a) ELIGIBILITY FOR ASSISTANCE.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 6(l)—

(A) in paragraph (5), by striking ''and'' at the end;

(B) in paragraph (6), by striking the period at the end and inserting ''; and''; and

(C) by inserting immediately after paragraph (6) the following new paragraph:

''(7) provide that it shall be cause for immediate termination of the tenancy of a public housing tenant if such tenant—

''(A) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(2) is violating a condition of probation or parole imposed under Federal or State law.''; and

(2) in section 8(d)(1)(B)—

(A) in clause (iii), by striking ''and'' at the end;

(B) in clause (iv), by striking the period at the end and inserting ''; and''; and

(C) by adding after clause (iv) the following new clause:

''(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

''(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(II) is violating a condition of probation or parole imposed under Federal or State law;''.

(b) PROVISION OF INFORMATION TO LAW ENFORCEMENT AGENCIES.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by section 601 of this Act, is amended by adding at the end the following:

**''SEC. 28. EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.**

''Notwithstanding any other provision of law, each public housing agency that enters into a contract for assistance under section 6 or 8 of this Act with the Secretary shall furnish any Federal, State, or local law enforcement officer, upon the request of the officer, with the current address, Social Security number, and photograph (if applicable) of any recipient of assistance under this Act, if the officer—

''(1) furnishes the public housing agency with the name of the recipient; and

''(2) notifies the agency that—

''(A) such recipient—

''(i) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or attempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

''(ii) is violating a condition of probation or parole imposed under Federal or State law; or

''(iii) has information that is necessary for the officer to conduct the officer's official duties;

''(B) the location or apprehension of the recipient is within such officer's official duties; and

''(C) the request is made in the proper exercise of the officer's official duties.''.

**SEC. 1003. SENSE OF THE SENATE REGARDING ENTERPRISE ZONES.**

(a) FINDINGS.—The Senate finds that:

(1) Many of the Nation's urban centers are places with high levels of poverty, high rates of welfare dependency, high crime rates, poor schools, and joblessness;

(2) Federal tax incentives and regulatory reforms can encourage economic growth, job creation and small business formation in many urban centers;

(3) Encouraging private sector investment in America's economically distressed urban and rural areas is essential to breaking the cycle of poverty and the related ills of crime, drug abuse, illiteracy, welfare dependency, and unemployment;

(4) The empowerment zones enacted in 1993 should be enhanced by providing incentives to increase entrepreneurial growth, capital formation, job creation, educational opportunities, and home ownership in the designated communities and zones.

(b) SENSE OF THE SENATE.—Therefore, it is the Sense of the Senate that the Congress should adopt enterprise zone legislation in the One Hundred Fourth Congress, and that such enterprise zone legislation provide the following incentives and provisions:

(1) Federal tax incentives that expand access to capital, increase the formation and expansion of small businesses, and promote commercial revitalization;

(2) Regulatory reforms that allow localities to petition Federal agencies, subject to the relevant agencies' approval, for waivers or modifications of regulations to improve job creation, small business formation and expansion, community development, or economic revitalization objectives of the enterprise zones;

(3) Home ownership incentives and grants to encourage resident management of public housing and home ownership of public housing;

(4) School reform pilot projects in certain designated enterprise zones to provide low-income parents with new and expanded educational options for their children's elementary and secondary schooling.

**SEC. 1004. SENSE OF THE SENATE REGARDING THE INABILITY OF THE NONCUSTODIAL PARENT TO PAY CHILD SUPPORT.**

It is the sense of the Senate that—

(a) States should diligently continue their efforts to enforce child support payments by

the noncustodial parent to the custodial parent, regardless of the employment status or location of the noncustodial parent; and

(b) States are encouraged to pursue pilot programs in which the parents of a nonadult, noncustodial parent who refuses to or is unable to pay child support must—

(1) pay or contribute to the child support owed by the noncustodial parent; or

(2) otherwise fulfill all financial obligations and meet all conditions imposed on the non÷custodial parent, such as participation in a work program or other related activity.

**SEC. 1005. FOOD STAMP ELIGIBILITY.**

Section 6(f) of the Food Stamp Act of 1977 (7 U.S.C. 2015(f)) is amended by striking the third sentence and inserting the following:

''The State agency shall, at its option, consider either all income and financial resources of the individual rendered ineligible to participate in the food stamp program under this subsection, or such income, less a pro rata share, and the financial resources of the ineligible individual, to determine the eligibility and the value of the allotment of the household of which such individual is a member.''.

**SEC. 1006. ESTABLISHING NATIONAL GOALS TO PREVENT TEENAGE PREGNANCIES.**

(a) IN GENERAL.—Not later than January 1, 1997, the Secretary of Health and Human Services shall establish and implement a strategy for—

(1) preventing out-of-wedlock teenage pregnancies, and

(2) assuring that at least 25 percent of the communities in the United States have teenage pregnancy prevention programs in place.

(b) REPORT.—Not later than June 30, 1998, and annually thereafter, the Secretary shall report to the Congress with respect to the progress that has been made in meeting the goals described in paragraphs (1) and (2) of subsection (a).

**SEC. 1007. SENSE OF THE SENATE REGARDING ENFORCEMENT OF STATUTORY RAPE LAWS.**

It is the sense of the Senate that States and local jurisdictions should aggressively enforce statutory rape laws.

**SEC. 1008. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.**

Notwithstanding any other provision of law, States shall not be prohibited by the Federal Government from sanctioning welfare recipients who test positive for use of controlled substances.

**SEC. 1009. ABSTINENCE EDUCATION.**

Title V of the Social Security Act (42 U.S.C. 701–709) is amended by adding at the end the following new section:

''ABSTINENCE EDUCATION

''SEC. 510. (a) There are authorized to be appropriated $75,000,000 for the purposes of enabling the Secretary, through grants, contracts, or otherwise to provide for abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity, with a focus on those groups which are most liekly to bear children out of wedlock.

''(b) For purposes of this section, the term 'abstinence education' means an educational or motivational program which—

''(1) has as its exclusive purpose, teaching the social, psychological, and health gains to be realized by abstaining from sexual activity;

''(2) teaches abstinence from sexual activity outside marriage as the expected standard for all school age children;

''(3) teaches that abstinence from sexual activity is the only certain way to avoid out-of-wedlock pregnancy, sexually transmitted diseases, and other associated health problems;

''(4) teaches that a mutually faithful monogamous relationship in context of marriage is the expected standard of human sexual activity;

''(5) teaches that sexual activity outside of the context of marriage is likely to have harmful psychological and physical effects;

''(6) teaches that bearing children out-of-wedlock is likely to have harmful consequences for the child, the child's parents, and society;

''(7) teaches young people how to reject sexual advances and how alcohol and drug use increases vulnerability to sexual advances; and

''(8) teaches the importance of attaining self-sufficiency before engaging in sexual activity.''.

**SEC. 1010. PROVISIONS TO ENCOURAGE ELECTRONIC BENEFIT TRANSFER SYSTEMS.**

Section 904 of the Electronic Fund Transfer Act (15 U.S.C. 1693b) is amended—

(1) by striking ''(d) In the event'' and inserting ''(d) APPLICABILITY TO SERVICE PROVIDERS OTHER THAN CERTAIN FINANCIAL INSTITUTIONS.—

''(1) IN GENERAL.—In the event''; and

(2) by adding at the end the following new paragraph:

''(2) STATE AND LOCAL GOVERNMENT ELECTRONIC BENEFIT TRANSFER PROGRAMS.—

''(A) EXEMPTION GENERALLY.—The disclosures, protections, responsibilities, and remedies established under this title, and any regulation prescribed or order issued by the Board in accordance with this title, shall not apply to any electronic benefit transfer program established under State or local law or administered by a State or local government.

''(B) EXCEPTION FOR DIRECT DEPOSIT INTO RECIPIENT'S ACCOUNT.—Subparagraph (A) shall not apply with respect to any electronic funds transfer under an electronic benefit transfer program for deposits directly into a consumer account held by the recipient of the benefit.

''(C) RULE OF CONSTRUCTION.—No provision of this paragraph may be construed as—

''(i) affecting or altering the protections otherwise applicable with respect to benefits established by Federal, State, or local law; or

''(ii) otherwise superseding the application of any State or local law.

''(D) ELECTRONIC BENEFIT TRANSFER PROGRAM DEFINED.—For purposes of this paragraph, the term 'electronic benefit transfer program'—

''(i) means a program under which a government agency distributes needs-tested benefits by establishing accounts to be accessed by recipients electronically, such as through automated teller machines, or point-of-sale terminals; and

''(ii) does not include employment-related payments, including salaries and pension, retirement, or unemployment benefits established by Federal, State, or local governments.''.

**SEC. 1011. REDUCTION IN BLOCK GRANTS TO STATES FOR SOCIAL SERVICES.**

Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) by striking ''and'' at the end of paragraph (4); and

(2) by striking paragraph (5) and inserting the following:

''(5) $2,800,000,000 for each of the fiscal years 1990 through 1996 and for each fiscal year after fiscal year 2002; and

''(6) $2,520,000,000 for each of the fiscal years 1997 through 2002.''.

**SEC. 1012. EFFICIENT USE OF FEDERAL TRANSPORTATION FUNDS.**

The Secretary of Health and Human Services is encouraged to work in coordination with State agencies to ensure that Federal transportation funds that may be used for the benefit of persons receiving public assistance pursuant to this Act and the amendments made by this Act are most efficiently used for such purpose. The Secretary shall work with the individual States to develop criteria and measurements to report back to the Congress, within 3 years after the date of the enactment of this Act, the following:

(1) The use of competitive contracting or other market-oriented strategies to achieve efficiencies.

(2) The efficient use of all related transportation funds to support persons receiving assistance pursuant to this Act and the amendments made by this Act.

(3) The actual value derived from transportation services to achieve such purposes.

(4) The application of such analyses to other support services to achieve such purposes.

**SEC. 1013. ENHANCED FEDERAL MATCH FOR CHILD WELFARE AUTOMATION EXPENSES.**

(a) IN GENERAL.—Section 474(a)(3)(C) of the Social Security Act (42 U.S.C. 674(a)(3)(C)) is amended to read as follows:

''(C) 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of so much of such expenditures as are for the planning, design, development, or installation of statewide mechanized data collection and information retrieval systems (including 50 percent (or, if the quarter is in fiscal year 1997, 75 percent) of the full amount of expenditures for hardware components for such systems) but only to the extent that such systems—

''(i) meet the requirements imposed by regulations;

''(ii) to the extent practicable, are capable of interfacing with the State data collection system that collects information relating to child abuse and neglect;

''(iii) to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection system that collects information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility of foster children); and

''(iv) are determined by the Secretary to be likely to provide more efficient, economical, and effective administration of the programs carried out under a State plan approved under this part;''.

(b) EFFECTIVE DATE.—The amendments made by this section shall be effective on and after October 1, 1996.

## Subtitle B—Earned Income Tax Credit

**SEC. 1021. EARNED INCOME CREDIT AND OTHER TAX BENEFITS DENIED TO INDIVIDUALS FAILING TO PROVIDE TAXPAYER IDENTIFICATION NUMBERS.**

(a) EARNED INCOME CREDIT.—

(1) IN GENERAL.—Section 32(c)(1) of the Internal Revenue Code of 1986 (relating to individuals eligible to claim the earned income credit) is amended by adding at the end the following new subparagraph:

''(F) IDENTIFICATION NUMBER REQUIREMENT.—The term 'eligible individual' does not include any individual who does not include on the return of tax for the taxable year—

''(i) such individual's taxpayer identification number, and

''(ii) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.''

(2) SPECIAL IDENTIFICATION NUMBER.—Section 32 of such Code is amended by adding at the end the following new subsection:

''(l) IDENTIFICATION NUMBERS.—Solely for purposes of subsections (c)(1)(F) and (c)(3)(D), a taxpayer identification number

means a social security number issued to an individual by the Social Security Administration (other than a social security number issued pursuant to subclause (II) (or that portion of subclause (III) that relates to subclause (II)) of section 205(c)(2)(B)(i) of the Social Security Act).''

(b) PERSONAL EXEMPTION.—

(1) IN GENERAL.—Section 151 of such Code (relating to allowance of deductions for personal exemptions) is amended by adding at the end the following new subsection:

''(e) INDENTIFYING INFORMATION REQUIRED.—No exemption shall be allowed under this section with respect to any individual unless the taxpayer identification number of such individual is included on the return claiming the exemption.''

(2) CONFORMING AMENDMENTS.—

(A) Subsection (e) of section 6109 of such Code is repealed.

(B) Section 6724(d)(3) of such Code is amended by adding ''and'' at the end of subparagraph (C), by striking subparagraph (D), and by redesignating subparagraph (E) as subparagraph (D).

(c) DEPENDENT CARE CREDIT.—Subsection (e) of section 21 of such Code (relating to expenses for household and dependent care services necessary for gainful employment) is amended by adding at the end the following new paragraph:

''(10) IDENTIFYING INFORMATION REQUIRED WITH RESPECT TO QUALIFYING INDIVIDUALS.—No credit shall be allowed under this section with respect to any qualifying individual unless the taxpayer identification number of such individual is included on the return claiming the credit.''

(d) EXTENSION OF PROCEDURES APPLICABLE TO MATHEMATICAL OR CLERICAL ERRORS.—Section 6213(g)(2) of such Code (relating to the definition of mathematical or clerical errors) is amended—

(1) by striking ''and'' at the end of subparagraph (D), and

(2) by striking the period at the end of subparagraph (E) and inserting a comma, and

(3) by adding at the end the following new subparagraphs:

''(F) an omission of a correct taxpayer identification number required under section 21 (relating to expenses for household and dependent care services necessary for gainful employment), section 32 (relating to the earned income credit) to be included on a return, or section 151 (relating to allowance of deductions for personal exemptions), and

''(G) an entry on a return claiming the credit under section 32 with respect to net earnings from self-employment described in section 32(c)(2)(A) to the extent the tax imposed by section 1401 (relating to self-employment tax) on such net earnings has not been paid.''

(e) EFFECTIVE DATE.—The amendments made by this section shall apply with respect to returns the due date for which (without regard to extensions) is more than 30 days after the date of the enactment of this Act.

**SEC. 1022. RULES RELATING TO DENIAL OF EARNED INCOME CREDIT ON BASIS OF DISQUALIFIED INCOME.**

(a) REDUCTION IN DISQUALIFIED INCOME THRESHOLD.—

(1) IN GENERAL.—Section 32(i)(1) of the Internal Revenue Code of 1986 (relating to denial of credit for individuals having excessive investment income) is amended by striking ''$2,350'' and inserting ''$2,200''.

(2) ADJUSTMENT FOR INFLATION.—Section 32(j) of such Code is amended to read as follows:

''(j) INFLATION ADJUSTMENTS.—

''(1) IN GENERAL.—In the case of any taxable year beginning after the applicable calendar year, each dollar amount referred to in paragraph (2)(B) shall be increased by an amount equal to—

''(A) such dollar amount, multiplied by

''(B) the cost-of-living adjustment determined under section 1(f)(3) for the calendar year in which the taxable year begins, except that subparagraph (B) thereof shall be applied by reference to the CPI for the calendar year preceding the applicable calendar year rather than the CPI for calendar year 1992.

''(2) DEFINITIONS, ETC.—For purposes of paragraph (1)—

''(A) APPLICABLE CALENDAR YEAR.—The term 'applicable calendar year' means—

''(i) 1994 in the case of the dollar amounts referred to in clause (i) of subparagraph (B), and

''(ii) 1996 in the case of the dollar amount referred to in clause (ii) of subparagraph (B).

''(B) DOLLAR AMOUNTS.—The dollar amounts referred to in this subparagraph are—

''(i) the dollar amounts contained in subsection (b)(2)(A), and

''(ii) the dollar amount contained in subsection (i)(1).

''(3) ROUNDING.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), if any dollar amount after being increased under paragraph (1) is not a multiple of $10, such dollar amount shall be rounded to the nearest multiple of $10 (or, if such dollar amount is a multiple of $5, such dollar amount shall be increased to the next higher multiple of $10).

''(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount referred to in paragraph (2)(B)(ii) after being increased under paragraph (1) is not a multiple of $50, such amount shall be rounded to the next lowest multiple of $50.''

(b) DEFINITION OF DISQUALIFIED INCOME.—Paragraph (2) of section 32(i) of such Code (defining disqualified income) is amended by striking ''and'' at the end of subparagraph (B), by striking the period at the end of subparagraph (C) and inserting a comma, and by adding at the end the following new subparagraphs:

''(D) the capital gain net income (as defined in section 1222) of the taxpayer for such taxable year, and

''(E) the excess (if any) of—

''(i) the aggregate income from all passive activities for the taxable year (determined without regard to any amount included in earned income under subsection (c)(2) or described in a preceding subparagraph), over

''(ii) the aggregate losses from all passive activities for the taxable year (as so determined).

For purposes of subparagraph (E), the term 'passive activity' has the meaning given such term by section 469.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

**SEC. 1023. MODIFICATION OF ADJUSTED GROSS INCOME DEFINITION FOR EARNED INCOME CREDIT.**

(a) IN GENERAL.—Subsections (a)(2), (c)(1)(C), and (f)(2)(B) of section 32 of the Internal Revenue Code of 1986 are each amended by striking ''adjusted gross income'' and inserting ''modified adjusted gross income''.

(b) MODIFIED ADJUSTED GROSS INCOME DEFINED.—Section 32(c) of such Code (relating to definitions and special rules) is amended by adding at the end the following new paragraph:

''(5) MODIFIED ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The term 'modified adjusted gross income' means adjusted gross income—

''(i) determined without regard to the amounts described in subparagraph (B), and

''(ii) increased by

''(I) the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax, and

''(II) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, by the taxpayer during the taxable year to the extent not included in gross income.

Clause (ii)(II) shall not include any amount which is not includible in gross income by reason of section 402(c), 403(a)(4), 403(b)(8), 408(d) (3), (4), or (5), or 457(e)(10).

''(B) CERTAIN AMOUNTS DISREGARDED.—An amount is described in this subparagraph if it is—

''(i) the amount of losses from sales or exchanges of capital assets in excess of gains from such sales or exchanges to the extent such amount does not exceed the amount under section 1211(b)(1),

''(ii) the net loss from estates and trusts,

''(iii) the excess (if any) of amounts described in subsection (i)(2)(C)(ii) over the amounts described in subsection (i)(2)(C)(i) (relating to nonbusiness rents and royalties), and

''(iv) the net loss from the carrying on of trades or businesses, computed separately with respect to—

''(I) trades or businesses (other than farming) conducted as sole proprietorships,

''(II) trades or businesses of farming conducted as sole proprietorships, and

''(III) other trades or businesses.

For purposes of clause (iv), there shall not be taken into account items which are attributable to a trade or business which consists of the performance of services by the taxpayer as an employee.''

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 1995.

**SEC. 1024. NOTICE OF AVAILABILITY REQUIRED TO BE PROVIDED TO APPLICANTS AND FORMER RECIPIENTS OF TEMPORARY ASSISTANCE FOR NEEDY FAMILIES, FOOD STAMPS, AND MEDICAID.**

(a) TEMPORARY ASSISTANCE FOR NEEDY FAMILIES.—Section 408(a), as added by section 103 of this Act, is amended by adding at the end the following:

''(16) NOTICE OF EITC AVAILABILITY.—A State to which a grant is made under section 403 shall provide written notice of the existence and availability of the earned income credit under section 32 of the Internal Revenue Code of 1986 to—

''(A) any individual who applies for assistance under the State program funded under this part, upon receipt of the application; and

''(B) any individual whose assistance under the State program is terminated, in the notice of termination of such assistance.''.

(b) FOOD STAMPS.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) in paragraph (24) by striking ''and'' at the end;

(2) in paragraph (25) by striking the period at the end and inserting ''; and''; and

(3) by inserting after paragraph (25) the following:

''(26) that whenever a household applies for food stamp benefits, and whenever such benefits are terminated with respect to a household, the State agency shall provide to each member of such household notice of—

''(A) the existence of the earned income tax credit under section 32 of the Internal Revenue Code of 1986; and

''(B) the fact that such credit may be applicable to such member.''.

(c) MEDICAID.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—

(1) by striking ''and'' at the end of paragraph (61);

(2) by striking the period at the end of paragraph (62) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(63) provide that the State shall provide notice of the existence and availability of the earned income tax credit under section 32 of the Internal Revenue Code of 1986 to each individual applying for medical assistance under the State plan and to each individual whose eligibility for medical assistance under the State plan is terminated.''.

**SEC. 1025. NOTICE OF AVAILABILITY OF EARNED INCOME TAX CREDIT AND DEPENDENT CARE TAX CREDIT TO BE INCLUDED ON W–4 FORM.**

Section 11114 of the Omnibus Budget Reconciliation Act of 1990 (26 U.S.C. 21 note), relating to program to increase public awareness, is amended by adding at the end the following new sentence: ''Such means shall include printing a notice of the availability of such credits on the forms used by employees to determine the proper number of withholding exemptions under chapter 24 of the Internal Revenue Code of 1986.''.

**SEC. 1026. ADVANCE PAYMENT OF EARNED INCOME TAX CREDIT THROUGH STATE DEMONSTRATION PROGRAMS.**

(a) IN GENERAL.—Section 3507 of the Internal Revenue Code of 1986 (relating to the advance payment of the earned income tax credit) is amended by adding at the end the following:

''(g) STATE DEMONSTRATIONS.—

''(1) IN GENERAL.—In lieu of receiving earned income advance amounts from an employer under subsection (a), a participating resident shall receive advance earned income payments from a responsible State agency pursuant to a State Advance Payment Program that is designated pursuant to paragraph (2).

''(2) DESIGNATIONS.—

''(A) IN GENERAL.—From among the States submitting proposals satisfying the requirements of subsection (g)(3), the Secretary (in consultation with the Secretary of Health and Human Services) may designate not more than 4 State Advance Payment Demonstrations. States selected for the demonstrations may have, in the aggregate, no more than 5 percent of the total number of household participating in the program under the Food Stamp program in the immediately preceding fiscal year, Administrative costs of a State in conducting a demonstration under this section may be included for matching under section 403(a) of the Social Security Act and section 16(a) of the Food Stamp Act of 1977.

''(B) WHEN DESIGNATION MAY BE MADE.—Any designation under this paragraph shall be made no later than December 31, 1995.

''(C) PERIOD FOR WHICH DESIGNATION IS IN EFFECT.—

''(i) IN GENERAL.—Designations made under this paragraph shall be effective for advance earned income payments made after December 31, 1995, and before January 1, 1999.

''(ii) SPECIAL RULES.—

''(I) REVOCATION OF DESIGNATIONS.—The Secretary may revoke the designation under this paragraph if the Secretary determines that the State is not complying substantially with the proposal described in paragraph (3) submitted by the State.

''(II) AUTOMATIC TERMINATION OF DESIGNATIONS.—Any failure by a State to comply with the reporting requirements described in paragraphs (3)(F) and (3)(G) has the effect of immediately terminating the designation under this paragraph (2) and rendering paragraph (5)(A)(ii) inapplicable to subsequent payments.

''(3) PROPOSALS.—No State may be designated under subsection (g)(2) unless the State's proposal for such designation—

''(A) identifies the responsible State agency,

''(B) describes how and when the advance earned income payments will be made by that agency, including a description of any other State or Federal benefits with which such payments will be coordinated,

''(C) describes how the State will obtain the information on which the amount of advance earned income payments made to each participating resident will be determined in accordance with paragraph (4),

''(D) describes how State residents who will be eligible to receive advance earned income payments will be selected, notified of the opportunity to receive advance earned income payments from the responsible State agency, and given the opportunity to elect to participate in the program,

''(E) describes how the State will verify, in addition to receiving the certifications and statement described in paragraph (7)(D)(iv), the eligibility of participating residents for the earned tax credit,

''(F) commits the State to furnishing to each participating resident and to the Secretary by January 31 of each year a written statement showing—

''(i) the name and taxpayer identification number of the participating resident, and

''(ii) the total amount of advance earned income payments made to the participating resident during the prior calendar year,

''(G) commits the State to furnishing to the Secretary by December 1 of each year a written statement showing the name and taxpayer identification number of each participating resident,

''(H) commits the State to treat the advanced earned income payments as described in subsection (g)(5) and any repayments of excessive advance earned income payments as described in subsection (g)(6),

''(I) commits the State to assess the development and implementation of its State Advance Payment Program, including an agreement to share its findings and lessons with other interested States in a manner to be described by the Secretary, and

''(J) is submitted to the Secretary on or before June 30, 1995.

''(4) AMOUNT AND TIMING OF ADVANCE EARNED INCOME PAYMENTS.—

''(A) AMOUNT.—

''(i) IN GENERAL.—The method for determining the amount of advance earned income payments made to each participating resident is to conform to the full extent possible with the provisions of subsection (c).

''(ii) SPECIAL RULE.—A State may, at its election, apply the rules of subsection (c)(2)(B) by substituting 'between 60 percent and 75 percent of the credit percentage in effect under section 32(b)(1) for an individual with the corresponding number of qualifying children' for '60 percent of the credit percentage in effect under section 32(b)(1) for such an eligible individual with 1 qualifying child' in clause (i) and 'the same percentage (as applied in clause (i))' for '60 percent' in clause (ii).

''(B) TIMING.—The frequency of advance earned income payments may be made on the basis of the payroll periods of participating residents, on a single statewide schedule, or on any other reasonable basis prescribed by the State in its proposal; however, in no event may advance earned income payments be made to any participating resident less frequently than on a calendar-quarter basis.

''(5) PAYMENTS TO BE TREATED AS PAYMENTS OF WITHHOLDING AND FICA TAXES.—

''(A) IN GENERAL.—For purposes of this title, advance earned income payments during any calendar quarter—

''(i) shall neither be treated as a payment of compensation nor be included in gross income, and

''(ii) shall be treated as made out of—

''(I) amounts required to be deducted by the State and withheld for the calendar quarter by the State under section 3401 (relating to wage withholding), and

''(II) amounts required to be deducted for the calendar quarter under section 3102 (relating to FICA employee taxes), and

''(III) amounts of the taxes imposed on the State for the calendar quarter under section 3111 (relating to FICA employer taxes),

as if the State had paid to the Secretary, on the day on which payments are made to participating residents, an amount equal to such payments.

''(B) ADVANCE PAYMENTS EXCEED TAXES DUE.—If for any calendar quarter the aggregate amount of advance earned income payments made by the responsible State agency under a State Advance Payment Program exceeds the sum of the amounts referred to in subparagraph (A)(ii) (without regard to paragraph (6)(A)), each such advance earned income payment shall be reduced by an amount which bears the same ratio to such excess as such advance earned income payment bears to the aggregate amount of all such advance earned income payments.

''(6) STATE REPAYMENT OF EXCESSIVE ADVANCE EARNED INCOME PAYMENTS.—

''(A) IN GENERAL.—Notwithstanding any other provision of law, in the case of an excessive advance earned income payment a State shall be treated as having deducted and withheld under section 3401 (relating to wage withholding), and therefore is required to pay to the United States, the repayment amount during the repayment calendar quarter.

''(B) EXCESSIVE ADVANCE EARNED INCOME PAYMENT.—For purposes of this section, an excessive advance income payment is that portion of any advance earned income payment that, when combined with other advance earned income payments previously made to the same participating resident during the same calendar year, exceeds the amount of earned income tax credit to which that participating resident is entitled under section 32 for that year.

''(C) REPAYMENT AMOUNT.—The repayment amount is equal to 50 percent of the excess of—

''(i) excessive advance earned income payments made by a State during a particular calendar year, over

''(ii) the sum of—

''(I) 4 percent of all advance earned income payments made by the State during that calendar year, and

''(II) the excessive advance earned income payments made by the State during that calendar year that have been collected from participating residents by the Secretary.

''(D) REPAYMENT CALENDAR QUARTER.—The repayment calendar quarter is the second calendar quarter of the third calendar year after the calendar year in which an excessive earned income payment is made.

''(7) DEFINITIONS.—For purposes of this section—

''(A) STATE ADVANCE PAYMENT PROGRAM.—The term 'State Advance Payment Program' means the program described in a proposal submitted for designation under paragraph (1) and designated by the Secretary under paragraph (2).

''(B) RESPONSIBLE STATE AGENCY.—The term 'responsible State agency' means the single State agency that will be making the advance earned income payments to residents of the State who elect to participate in a State Advance Payment Program.

''(C) ADVANCE EARNED INCOME PAYMENTS.—The term 'advance earned income payments' means an amount paid by a responsible State agency to residents of the State pursuant to a State Advance Payment Program.

''(D) PARTICIPATING RESIDENT.—The term 'participating resident' means an individual who—

''(i) is a resident of a State that has in effect a designated State Advance Payment Program,

''(ii) makes the election described in paragraph (3)(C) pursuant to guidelines prescribed by the State,

''(iii) certifies to the State the number of qualifying children the individual has, and

''(iv) provides to the State the certifications and statement set forth in subsections (b)(1), (b)(2), (b)(3), and (b)(4) (except that for purposes of this clause (iv), the term 'any employer' shall be substituted for 'another employer' in subsection (b)(3)), along with any other information required by the State.''.

(b) TECHNICAL ASSISTANCE.—The Secretaries of Treasury and Health and Human Services shall jointly ensure that technical assistance is provided to State Advance Payment Programs and that these programs are rigorously evaluated.

(c) ANNUAL REPORTS.—The Secretary shall issue annual reports detailing the extent to which—

(1) residents participate in the State Advance Payment Programs,

(2) participating residents file Federal and State tax returns,

(3) participating residents report accurately the amount of the advance earned income payments made to them by the responsible State agency during the year, and

(4) recipients of excessive advance earned income payments repaid those amounts.

The report shall also contain an estimate of the amount of advance earned income payments made by each responsible State agency but not reported on the tax returns of a participating resident and the amount of excessive advance earned income payments.

(d) AUTHORIZATION OF APPROPRIATIONS.—For purposes of providing technical assistance described in subsection (b), preparing the reports described in subsection (c), and providing grants to States in support of designated State Advance Payment Programs, there are authorized to be appropriated in advance to the Secretary of the Treasury and the Secretary of Health and Human Services a total of $1,400,000 for fiscal years 1996 through 1999.

## KERRY AMENDMENT NO. 4913

(Ordered to lie on the table.)

Mr. KERRY submitted an amendment intended to be proposed by him to the bill, S. 1956, supra; as follows:

Section 413 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

''(h) CHILD POVERTY RATES.—

''(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this part, and annually thereafter, the chief executive officer of a State shall submit to the Secretary a statement of the child poverty rate in the State as of such date of enactment or the date of such subsequent statements. Such subsequent statements shall include the change in such rate from the previous statement, if any.

''(2) INCREASE IN RATE.—

''(A) IN GENERAL.—With respect to a State that submits a statement under paragraph (1) that indicates an increase of 5 percent or more in the child poverty rate of the State from the previous statement the State shall, not later than 90 days after the date of such statement, prepare and submit to the Secretary a corrective action plan in accordance with paragraph (3).

''(3) CORRECTIVE ACTION PLAN.—

''(A) IN GENERAL.—A corrective action plan submitted under paragraph (2) shall outline that manner in which the State will reduce the child poverty rate within the State. The plan shall include a description of the actions to be taken by the State under such plan.

''(B) CONSULTATION ABOUT MODIFICATIONS.—During the 60-day period that begins with the date the Secretary receives the corrective action plan of a State under subparagraph (A), the Secretary may consult with the State on modifications to the plan.

''(C) ACCEPTANCE OF PLAN.—A corrective action plan submitted by a State in accordance with subparagraph (A) is deemed to be accepted by the Secretary if the Secretary does not accept or reject the plan during 60-day period that begins on the date the plan is submitted.

''(4) COMPLIANCE WITH PLAN.—

''(A) IN GENERAL.—A State that submits a corrective action plan under this subsection shall continue to implement such plan until such time as the Secretary makes the determination described in subparagraph (B).

''(B) DETERMINATION.—A determination described in this subparagraph is a determination that the child poverty rate for the State involved has fallen to, and not exceeded for a period of 2-consecutive years, a rate that is not greater than the rate contained in the most recent statement submitted by the State under paragraph (1) which did not trigger the application of paragraph (2).

''(C) LABOR SURPLUS AREA.—With respect to a State that submits a corrective action plan under paragraph (2)(B), such plan shall continue to be implemented until the area involved is no longer designated as a Labor Surplus Area.

''(5) METHODOLOGY.—The Secretary shall promulgate regulations establishing the methodology by which a State shall determine the child poverty rate within such State. Such methodology shall, with respect to a State, take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and the county by county estimates of children in poverty as determined by the Census Bureau.

## FRIST (AND OTHERS) AMENDMENT NO. 4914

Mr. FRIST (for himself, Mr. ABRAHAM, Mr. SANTORUM, Mrs. HUTCHISON, Mr. BOND, and Mr. THOMPSON) proposed an amendment to the bill, S. 1956, supra; as follows:

At the appropriate place, add the following new section:

**SEC. . SENSE OF CONGRESS.**

(a) FINDINGS.—Congress finds that—

(1) the Secretary of Health and Human Services has not approved in a timely manner, State waiver requests for programs carried out under part A of title IV of the Social Security Act or other Federal law providing needs-based or income-based benefits (referred to in this resolution as ''welfare reform programs'');

(2) valuable time is running out for these states which need to obtain the waivers in order to implement the changes as planned;

(3) across the country there are 16 States, with 22 waiver requests for welfare reform programs, awaiting approval of the requests by the Secretary of Health and Human Services;

(4) on July 21, 1995, in Burlington, Vermont, President Clinton promised the Governors that the Secretary of Health and Human Services would approve their waiver requests within 30 days; and

(5) despite the President's promise, the average delay in approving such a waiver request is currently 210 days and some of the waiver requests have been pending since 1994.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the President should ensure that the Secretary of Health and Human Services approves the following waiver requests for Georgia—Jobs First Project, submitted 7/5/94; Georgia—Fraud Detection Project, submitted 7/1/96; Indiana—Impacting Families Welfare Reform Demonstration, submitted 12/14/95; Kansas—Actively Creating Tomorrow for Families Demonstration, submitted 7/26/94; Michigan—To Strengthen Michigan Families, submitted 6/27/96; Minnesota—Work First Program, submitted 4/4/96; Minnesota—AFDC Barrier Removal Project, submitted 4/4/96; New York—Learnfare Program, submitted 5/31/96; New York—Intentional Program Violation Demonstration, submitted 5/31/96; Oklahoma—Welfare Self-Sufficiency Initiative, submitted 10/27/95; Pennsylvania—School Attendance Improvement Program, submitted 9/12/94; Pennsylvania—Savings for Education Program, submitted 12/29/94; Tennessee—Families First, submitted 4/30/96; Utah—Single Parent Employment Demonstration, submitted 7/2/96; Virginia—Virginia Independence Program, submitted 5/24/96; Wisconsin—Work Not Welfare and Pay for Performance, submitted 5/29/96; And Wyoming—New Opportunities and New Responsibilities—Phase II, submitted 5/13/96.

## HARKIN (AND COATS) AMENDMENT NO. 4915

Mr. HARKIN (for himself and Mr. COATS) proposed an amendment to the bill, S. 1956, supra; as follows:

Section 408 of the Social Security Act, as added by section 2103, is amended by adding at the end thereof the following new subsection:

''(d) STATE REQUIRED TO ENTER INTO A PERSONAL RESPONSIBILITY AGREEMENT WITH EACH FAMILY RECEIVING ASSISTANCE.—

''(1) IN GENERAL.—Each State to which a grant is made under section 403 shall require each family receiving assistance under the State program funded under this part to enter into a personal responsibility agreement (as developed by the State) with the State.

''(2) PERSONAL RESPONSIBILITY AGREEMENT.—For purposes of this subsection, the term 'personal responsibility agreement' means a binding contract between the State and each family receiving assistance under the State program funded under this part that—

''(A) contains a statement that public assistance is not intended to be a way of life, but is intended as temporary assistance to help the family achieve self-sufficiency and personal independence;

''(B) outlines the steps each family and the State will take to get the family off of welfare and to become self-sufficient, including an employment goal for the individual and a plan for promptly moving the individual into paid employment;

''(C) specifies a negotiated time-limited period of eligibility for receipt of assistance that is consistent with unique family circumstances and is based on a reasonable plan to facilitate the transition of the family to self-sufficiency;

''(D) provides for the imposition of sanctions if the individual refuses to sign the agreement or does not comply with the terms of the agreement, which may include loss or reduction of cash benefits;

''(E) provides that the contract shall be invalid if the State agency fails to comply with the contract; and

''(F) provides that the individual agrees not to abuse illegal drugs or other substances that would interfere with the ability

of the individual to become self-sufficient, or provide for a referral for substance abuse treatment if necessary to increase the employability of the individual.

''(3) ASSESSMENT.—The State agency shall provide, through a case manager, an initial and thorough assessment of the skills, prior work experience, and employability of each parent for use in developing and negotiating a personal responsibility contract.

''(4) DISPUTE RESOLUTION.—The State agency shall establish a dispute resolution procedure for disputes related to participation in the personal responsibility contract that provides the opportunity for a hearing.

## HARKIN AMENDMENT NO. 4916

Mr. HARKIN proposed an amendment to the bill, S. 1956, supra; as follows:

Strike section 1253.

## ASHCROFT AMENDMENT NO. 4917

Mr. SANTORUM (for Mr. ASHCROFT) proposed an amendment to the bill, S. 1956, supra; as follows:

At the appropriate place in chapter 9 of subtitle A, insert the following:

**SEC. ___. SANCTIONS FOR FAILING TO ENSURE THAT MINOR CHILDREN ARE IMMUNIZED.**

(a) TANF.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a State shall not be prohibited by the Federal Government from sanctioning a recipient of assistance under a State program funded under part A of title IV of the Social Security Act for failing to provide verification that such recipient's minor children have received appropriate immunizations against contagious diseases as required by the law of such State.

(2) EXCEPTION.—In the event that a State requires verification of immunizations, paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(b) FOOD STAMPS.—

(1) IN GENERAL.—A caretaker recipient of assistance or benefits under the food stamp program, as defined in section 3(h) of the Food Stamp Act of 1977, shall provide verification that any dependent minor child residing in such recipient's household has received appropriate immunizations against contagious diseases as required by the law of the State in which the recipient resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives benefits under the food stamp program shall result in a 20 percent reduction in the monthly amount of benefits paid under such program to such caretaker for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

(c) SSI.—

(1) IN GENERAL.—A caretaker of a minor child who receives, on their own behalf or on behalf of such child, payments under the supplemental security income program under title XVI of the Social Security Act (42 U.S.C. 1681 et seq.) shall provide verification that the child has received appropriate immunizations against contagious diseases as required by the law of the State in which the child resides.

(2) EXCEPTION.—Paragraph (1) shall not apply to a caretaker described in such paragraph who relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of such caretaker.

(3) INDIVIDUAL PENALTIES.—The failure of a caretaker described in paragraph (1) to comply with the requirement of such paragraph within the 6-month period beginning with the month that includes the date that the caretaker first receives, on their own behalf or own behalf of such child, payments under the supplemental security income program shall result in a 20 percent reduction in the monthly amount of each payment made under such program on behalf of the caretaker or such child for each month beginning after such period, until the caretaker complies with the requirement of paragraph (1).

## WELLSTONE (AND SIMON) AMENDMENT NO. 4918

Mr. WELLSTONE (for himself and Mr. SIMON) proposed an amendment to the bill, S. 1956, supra; as follows:

At the appropriate place insert the following:

''IMPOVERISHED CHILDREN PROVISION.—

''(A) REPORT BY THE SECRETARY, ACCOMPANIED BY LEGISLATIVE PROPOSAL.—The Secretary of Health and Human Services shall develop data and, by January 30, 1999, shall report to Congress with respect to whether the National child poverty rate for Fiscal Year 1998 is higher than it would have been had this Act not been implemented. If the Secretary determines that this rate has increased and that such increase is attributable to the implementation of provisions of this Act, then such report shall contain the Secretary's recommendations for legislation to halt this increase. The Secretary's report shall be made public and shall be accompanied by a legislative proposal in the form of a bill reflecting said recommendations.

''(B) CONGRESSIONAL ACTION.—

''(1) The bill described in (A) shall be introduced in each House of Congress by the Majority Leader or his designee upon submission and shall be referred to the committee or committees with jurisdiction in each House.

''(2) DISCHARGE.—If any committee to which is referred a bill described in paragraph (1) has not reported such bill at the end of 20 calendar days after referral, such committee shall be discharged from further consideration of such bill, and such bill shall be placed on the appropriate calendar of the House involved.

''(3) FLOOR CONSIDERATION.—Any bill described in paragraph (1) placed on the calendar as a result of a committee's report or the provisions of paragraph (2) shall become the pending business of the House involved within 60 days after it has been placed on the calendar of such House, unless such House shall otherwise determine.''

## WELLSTONE (AND MURRAY) AMENDMENT NO. 4919

Mr. WELLSTONE (for himself and Mrs. MURRAY) proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of section 402(a) of the Social Security Act, as added by section 2103(a)(1), add the following:

''(7) CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE THAT THE STATE WILL SCREEN FOR AND IDENTIFY DOMESTIC VIOLENCE.—

''(A) IN GENERAL.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to—

''(i) screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

''(ii) refer such individuals to counseling and supportive services; and

''(iii) waive, pursuant to a determination of good cause, other program requirements such as time limits (for so long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

''(B) DOMESTIC VIOLENCE DEFINED.—For purposes of this paragraph, the term 'domestic violence' has the same meaning as the term 'battered or subjected to extreme cruelty', as defined in section 408(a)(8)(C)(iii).

''(8) CERTIFICATION REGARDING ELIGIBILITY OF INDIVIDUAL WHO HAS BEEN BATTERED OR SUBJECTED TO EXTREME CRUELTY.—A certification by the chief executive officer of the State that the State has established and is enforcing standards and procedures to ensure that in the case of an individual who has been battered or subjected to extreme cruelty, as determined under section 408(a)(8)(C)(iii), the State will determine the eligibility of such individual for assistance under this part based solely on such individual's income.

## DEWINE AMENDMENT NO. 4920

Mr. DEWINE proposed an amendment to the bill, S. 1956, supra; as follows:

At the end of chapter 7 of subtitle A of title II, add the following:

**SECTION 2703. CLARIFICATION OF REASONABLE EFFORTS REQUIREMENT BEFORE PLACEMENT IN FOSTER CARE.**

(a) IN GENERAL.—Section 471(a)(15) of the Social Security Act (42 U.S.C. 671(a)(15)) is amended to read as follows:

''(15) provides that, in each case—

''(A) reasonable efforts will be made—

''(i) prior to the placement of the child in foster care, to prevent or eliminate the need for removing the child from the child's home; and

''(ii) to make it possible for the child to return home; and

''(B) in determining reasonable efforts, the best interests of the child, including the child's health and safety, shall be of primary concern;''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendment made by subsection (a) shall be effective on the date of the enactment of this Act.

(2) EXCEPTION.—In the case of a State plan for foster care and adoption assistance under part E of title IV of the Social Security Act which the Secretary of Health and Human Services determines requires State legislation (other than legislation appropriating funds) in order for the plan to meet the additional requirement imposed by the amendment made by subsection (a), such plan shall not be regarded as failing to comply with the requirements of such title solely on the basis of its failure to meet this additional requirement before the first day of the first calendar quarter beginning after the close of

the first regular session of the State legislature that begins after the date of the enactment of this Act. For purposes of the previous sentence, in the case of a State that has a 2-year legislative session, each year of such session shall be deemed to be a separate regular session of the State legislature.

## GRAHAM (AND OTHERS) AMENDMENT NO. 4921

Mr. GRAHAM (for himself, Mrs. FEINSTEIN, Mr. SIMON, Mrs. MURRAY, and Mrs. BOXER) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 562 strike line 5 through the end of line 23 on page 567.

Beginning on page 567 strike line 14 through the end of page 582 line 2.

Beginning on page 585 line 13 strike an through the end of line 25 on page 587.

## DODD (AND OTHERS) AMENDMENT NO. 4922

Mr. DODD (for himself, Ms. SNOWE, Mr. KENNEDY, Ms. MIKULSKI, Mr. HARKIN, Mr. KOHL Mr. KERRY, Mrs. MURRAY, Mr. KERREY, Mr. COHEN, Mr. REID, and Mr. LEAHY) proposed an amendment to the bill, S. 1956, supra; as follows:

In the amendment made by section 2807, strike ''3'' and insert ''4''.

## FAIRCLOTH AMENDMENT NO. 4923

Mr. ROTH (for Mr. FAIRCLOTH) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 239, between lines 21 and 22, insert the following:

''(i) ENCOURAGEMENT TO PROVIDE CHILD CARE SERVICES.—An individual participating in a State community service program may be treated as being engaged in work under subsection (c) if such individual provides child care services to other individuals participating in the community service program in the manner, and for the period of time each week, determined appropriate by the State.

## COATS AMENDMENT NO. 4924

Mr. ROTH (for Mr. COATS) proposed an amendment to the bill, S. 1956, supra; as follows:

On page 221, between lines 20 and 21, insert the following new subsection:

''(h) USE OF FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS.—

''(1) IN GENERAL.—A State operating a program funded under this part may use amounts received under a grant under section 403 to carry out a program to fund individual development accounts (as defined in paragraph (2)) established by individuals eligible for assistance under the State program under this part.

''(2) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

''(A) ESTABLISHMENT.—Under a State program carried out under paragraph (1), an individual development account may be established by or on behalf of an individual eligible for assistance under the State program operated under this part for the purpose of enabling the individual to accumulate funds for a qualified purpose described in subparagraph (B).

''(B) QUALIFIED PURPOSE.—A qualified purpose described in this subparagraph is 1 or more of the following, as provided by the qualified entity providing assistance to the individual under this subsection:

''(i) POSTSECONDARY EDUCATIONAL EXPENSES.—Postsecondary educational expenses paid from an individual development account directly to an eligible educational institution.

''(ii) FIRST-HOME PURCHASE.—Qualified acquisition costs with respect to a qualified principal residence for a qualified first-time homebuyer, if paid from an individual development account directly to the persons to whom the amounts are due.

''(iii) BUSINESS CAPITALIZATION.—Amounts paid from an individual development account directly to a business capitalization account which is established in a federally insured financial institution and is restricted to use solely for qualified business capitalization expenses.

''(C) CONTRIBUTIONS TO BE FROM EARNED INCOME.—An individual may only contribute to an individual development account such amounts as are derived from earned income, as defined in section 911(d)(2) of the Internal Revenue Code of 1986.

''(D) WITHDRAWAL OF FUNDS.—The Secretary shall establish such regulations as may be necessary to ensure that funds held in an individual development account are not withdrawn except for 1 or more of the qualified purposes described in subparagraph (B).

''(3) REQUIREMENTS.—

''(A) IN GENERAL.—An individual development account established under this subsection shall be a trust created or organized in the United States and funded through periodic contributions by the establishing individual and matched by or through a qualified entity for a qualified purpose (as described in paragraph (2)(B)).

''(B) QUALIFIED ENTITY.—For purposes of this subsection, the term 'qualified entity' means either—

''(i) a not-for-profit organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code; or

''(ii) a State or local government agency acting in cooperation with an organization described in clause (i).

''(4) NO REDUCTION IN BENEFITS.—Notwithstanding any other provision of Federal law (other than the Internal Revenue Code of 1986) that requires consideration of 1 or more financial circumstances of an individual, for the purpose of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such law to be provided to or for the benefit of such individual, funds (including interest accruing) in an individual development account under this subsection shall be disregarded for such purpose with respect to any period during which such individual maintains or makes contributions into such an account.

''(5) DEFINITIONS.—For purposes of this subsection—

''(A) ELIGIBLE EDUCATIONAL INSTITUTION.—The term 'eligible educational institution' means the following:

''(i) An institution described in section 481(a)(1) or 1201(a) of the Higher Education Act of 1965 (20 U.S.C. 1088(a)(1) or 1141(a)), as such sections are in effect on the date of the enactment of this subsection.

''(ii) An area vocational education school (as defined in subparagraph (C) or (D) of section 521(4) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4))) which is in any State (as defined in section 521(33) of such Act), as such sections are in effect on the date of the enactment of this subsection.

''(B) POST-SECONDARY EDUCATIONAL EXPENSES.—The term 'post-secondary educational expenses' means—

''(i) tuition and fees required for the enrollment or attendance of a student at an eligible educational institution, and

''(ii) fees, books, supplies, and equipment required for courses of instruction at an eligible educational institution.

''(C) QUALIFIED ACQUISITION COSTS.—The term 'qualified acquisition costs' means the costs of acquiring, constructing, or reconstructing a residence. The term includes any usual or reasonable settlement, financing, or other closing costs.

''(D) QUALIFIED BUSINESS.—The term 'qualified business' means any business that does not contravene any law or public policy (as determined by the Secretary).

''(E) QUALIFIED BUSINESS CAPITALIZATION EXPENSES.—The term 'qualified business capitalization expenses' means qualified expenditures for the capitalization of a qualified business pursuant to a qualified plan.

''(F) QUALIFIED EXPENDITURES.—The term 'qualified expenditures' means expenditures included in a qualified plan, including capital, plant, equipment, working capital, and inventory expenses.

''(G) QUALIFIED FIRST-TIME HOMEBUYER.—

''(i) IN GENERAL.—The term 'qualified first-time homebuyer' means a taxpayer (and, if married, the taxpayer's spouse) who has no present ownership interest in a principal residence during the 3-year period ending on the date of acquisition of the principal residence to which this subsection applies.

''(ii) DATE OF ACQUISITION.—The term 'date of acquisition' means the date on which a binding contract to acquire, construct, or reconstruct the principal residence to which this subparagraph applies is entered into.

''(H) QUALIFIED PLAN.—The term 'qualified plan' means a business plan which—

''(i) is approved by a financial institution, or by a nonprofit loan fund having demonstrated fiduciary integrity,

''(ii) includes a description of services or goods to be sold, a marketing plan, and projected financial statements, and

''(iii) may require the eligible individual to obtain the assistance of an experienced entrepreneurial advisor.

''(I) QUALIFIED PRINCIPAL RESIDENCE.—The term 'qualified principal residence' means a principal residence (within the meaning of section 1034 of the Internal Revenue Code of 1986), the qualified acquisition costs of which do not exceed 100 percent of the average area purchase price applicable to such residence (determined in accordance with paragraphs (2) and (3) of section 143(e) of such Code).

## ABRAHAM AMENDMENT NO. 4925

Mr. ROTH (for Mr. ABRAHAM) proposed an amendment to the bill, S. 1956, supra; as follows:

Beginning on page 202, line 20, strike ''a grant'' and all that follows through line 13 on page 203, and insert the following: ''an illegitimacy reduction bonus if—

''(i) the State demonstrates that the number of out-of-wedlock births that occurred in the State during the most recent 2-year period for which such information is available decreased as compared to the number of such births that occurred during the previous 2-year period; and

''(ii) the rate of induced pregnancy terminations in the State for the fiscal year is less than the rate of induced pregnancy terminations in the State for fiscal year 1995.

''(B) PARTICIPATION IN ILLEGITIMACY BONUS.—A State that demonstrates a decrease under subparagraph (A)(i) shall be eligible for a grant under paragraph (5).

On page 203, line 19, strike ''(B)'' and insert ''(C)''.

On page 204, line 7, strike ''(C)'' and insert ''(D)''.

On page 204, lines 13 and 14, strike ''for fiscal year 1995'' and insert ''the preceding 2 fiscal years''.

On page 214, between lines 10 and 11, insert the following:

''(5) BONUS TO REWARD DECREASE IN ILLEGITIMACY.—

''(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State determined eligible under paragraph (2)(B) for each bonus year for which the State demonstrates a net decrease in out-of-wedlock births.

''(B) AMOUNT OF GRANT.—

''(i) IN GENERAL.—Subject to this subparagraph, the Secretary shall determine the amount of the grant payable under this paragraph to a low illegitimacy State for a bonus year.

''(ii) TOP FIVE STATES.—With respect to States determined eligible under paragraph (2)(B) for a fiscal year, the Secretary shall determine which five of such States demonstrated the greatest decrease in out-of-wedlock births under such paragraph for the period involved. Each of such five States shall receive a grant of equal amount under this paragraph for such fiscal year but such amount shall not exceed $20,000,000 for any single State.

''(iii) LESS THAN FIVE STATES.—With respect to a fiscal year, if the Secretary determines that there are less than five States eligible under paragraph (2)(B) for a fiscal year, the grants under this paragraph shall be awarded to each such State in an equal amount but such amount shall not exceed $25,000,000 for any single State.

''(C) BONUS YEAR.—The term 'bonus year' means fiscal years 1999, 2000, 2001, 2002, and 2003.

''(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003, such sums as are necessary for grants under this paragraph.

## THE CHILD ABUSE PREVENTION AND TREATMENT ACT AMENDMENTS OF 1996

### COATS AMENDMENT NO. 4926

Mr. ROTH (for Mr. COATS) proposed an amendment to the bill (S. 919) to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes; as follows:

Beginning on page 83, strike line 6 and all that follows through line 10 on page 86, and insert the following:

''(b) ELIGIBILITY REQUIREMENTS.—

''(1) IN GENERAL.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

''(A) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

''(i) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

''(ii) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

''(iii) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

''(iv) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

''(v) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including requirements ensuring that reports and records made and maintained pursuant to the purposes of this Act shall only be made available to—

''(I) individuals who are the subject of the report;

''(II) Federal, State, or local government entities, or any agent of such entities, having a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

''(III) child abuse citizen review panels;

''(IV) child fatality review panels;

''(V) a grant jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grant jury; and

''(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose;

''(vi) provisions which allow for public disclosure of the findings or information about the case of child abuse or neglect which has resulted in a child fatality or near fatality;

''(vii) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

''(viii) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

''(ix) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

''(B) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

''(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

''(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

''(iii) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

''(2) LIMITATION.—With regard to clauses (v) and (vi) of paragraph (1)(A), nothing in this section shall be construed as restricting the ability of a State to refuse to disclose identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect, except that the State may not refuse such a disclosure where a court orders such disclosure after such court has reviewed, in camera, the record of the State related to the report or complaint and has found it has reason to believe that the reporter knowingly made a false report.

''(3) DEFINITION.—For purposes of this subsection, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

On page 91, strike lines 1 and 2, and insert the following: '', serious physical or emotional harm, sexual abuse or exploitation, or an act of failure to act which presents an imminent risk of serious harm;'.''.

On page 91, strike lines 9 through 11, and insert the following: ''$100,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.''.

On page 92, line 23, strike ''Case'' and insert ''Except with respect to the withholding of medically indicated treatments from disabled infants with life threatening conditions, case''.

On page 114, lines 19 and 20, strike ''1996 through 2000'' and insert ''1997 through 2001''.

On page 120, line 10, strike''2000'' and insert ''2001''.

On page 120, line 22, strike ''and 1996'' and insert ''through 1997''.

On page 120, line 23, strike ''1997 through 2000'' and insert ''1998 through 2001''.

On page 121, lines 8 and 9, strike ''1996, and 1997'' and insert ''1996, and 1997 through 2001''.

On page 121, line 23, strike ''2000'' and insert ''2001''.

## NOTICES OF HEARINGS

### COMMITTEE ON INDIAN AFFAIRS

Mr. MCCAIN. Mr. President, I would like to announce that the Senate Committee on Indian Affairs will meet during the session of the Senate on Wednesday, July 23, 1996 beginning at 9:30 a.m. to conduct a markup and hearing on the following: Committee markup of S. 199, the Trading with Indian Act, Repeal; H.R. 3068, to revoke the Charter of the Prairie Island Indian Community; S. 1962, the Indian Child Welfare Act Amendments of 1996, H.R. 2464, Utah Schools and Land Improvement Act, Amendment, and S. 1893, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act; S. 1970, the National Museum of the American Indian Act Amendments of 1996; S. 1973, the Navajo/Hopi Land Dispute Settlement Act of 1996; and S. 1972, the Older American Indian Technical Amendments Act. The markup will be held in room 485 of the Russell Senate Office Building.

Those wishing additional information should contact the Committee on Indian Affairs at 224–2251.

### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. MURKOWSKI. Mr. President, I would like to announce for the information of the Senate and the public that S. 1737, a bill to protect Yellowstone National Park, the Clarks Fork of the Yellowstone National Wild and Scenic River and the Absaroka-Beartooth National Wilderness Area, has been re-referred to the Full Committee and will not be considered at the hearing scheduled before the Subcommittee on Parks, Historic Preservation, and Recreation on July 25, 1996 at 9:30 a.m.

For further information, please call Jim O'Toole at 202–224–5161.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, July 18, 1996, to conduct a hearing on the Oversight on the Monetary Policy Report to Congress Pursuant to the Full Employment and Balanced Growth Act of 1978.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

Mr. PRESSLER. Mr. President, I ask unanimous consent that the Committee on Commerce, Science, and Transportation be allowed to meet during the Thursday, July 18, 1996 session of the Senate for the purpose of conducting a hearing on S. 1043, the Natural Disaster Protection and Insurance Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, July 18, 1996, at 2 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent on behalf of the Governmental Affairs Committee to meet on Thursday, July 18, at 10 a.m. for a hearing on Section 1121 of S. 1745, ''Pilot Programs for Defense Employees Converted to Contractor Employees, due to privatization at closed military installations.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON INDIAN AFFAIRS

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, July 18, 1996 to conduct a markup and hearing beginning at 9:30 a.m. in Room 485 of the Russell Senate Office Building on the following: Committee Markup of S. 1264, the Crow Creek Sioux Tribe Infrastructure Development Trust Fund Act of 1995; S. 1834, the Indian Environmental General Assistance Program Act of 1992, Reauthorization; S. 1869, the Indian Health Care Improvement Technical Corrections Act of 1996; and S. , the Indian Child Welfare Act Amendments of 1996, to be followed immediately by a hearing on H.R. 2464, Utah School and Land Improvement Act, Amendment, and S. 1893, the Torres-Martinez Desert Cahuilla Indians Claims Settlement Act. The markup/hearing will be held in Room 485 of the Russell Senate Office Building.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON THE JUDICIARY

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet during the session of the Senate on Thursday, July 18, 1996, at 10 a.m. to hold a hearing on White House Access to FBI Background Summaries.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON CHILDREN AND FAMILIES

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Committee on Labor and Human Resources Subcommittee on Children and Families be authorized to meet for a hearing on Youth Violence during the session of the Senate on Thursday, July 18, 1996, at 1:30 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS, HISTORIC PRESERVATION AND RECREATION

Mr. DOMENICI. Mr. President, I ask unanimous consent that the Subcommittee on Parks, Historic Preservation, and Recreation of the Committee on Energy and Natural Resources be granted permission to meet during the session of the Senate on Thursday, July 18, 1996, for purposes of conducting a subcommittee hearing which is scheduled to begin at 9:30 a.m. The purpose of this hearing is to consider S. 988, a bill to direct the Secretary of the Interior to transfer administrative jurisdiction over certain land to the Secretary of the Army to facilitate construction of a jetty and sand transfer system; and S. 1805, a bill to provide for the management of Voyageurs National Park.

The PRESIDING OFFICER. Without objection, it is so ordered.

## ADDITIONAL STATEMENTS

### GAMBLING STUDY COMMISSION

● Mr. FAIRCLOTH. Mr. President, yesterday the Senate approved S. 704, a bill to create a National Gambling Impact Study Commission. I strongly support this bill.

Legalized gambling of all kinds, casino gambling as well as State lotteries has often been touched as a way for States and localities to make money for various good causes. In my own State of North Carolina, support for a State lottery has always been offered as a means of supplementing the State education budget.

The North Carolina General Assembly has so far defeated several attempts to establish a State lottery.

Lotteries in particular, are held up as a means of filling State coffers, a way of financing Government projects, not as a boon to individual citizens. Mr. President, I for one am somewhat skeptical of any project which seeks to grow Government, for whatever purpose. Government—at the State, local, and Federal level—has been growing by leaps and bounds in recent years, reaching into areas of our lives it was never intended for. The ever-increasing burden of taxes and regulation has placed tremendous strain on families and small businesses. It seems to me we need to concentrate on restraining government, not expanding it.

It is becoming increasingly evident that gambling may not be the economic boon it is held out to be. The North Carolina Department of Commerce commissioned a study of the potential economic and social impact of gambling in western North Carolina. The study's conclusions were dramatic: Casino gambling would likely create more problems than it solved for western North Carolina. Among them, congested roads, rising crime rates and the crowding out of traditional tourist business and the families who patronize them.

In addition, the human toll of gambling is just beginning to be assessed adequately. Compulsive gambling can lead to alcoholism, bankruptcy, and can lead to the destruction of individuals and families.

If legalized gambling is the great economic boon its supporters make it out to be, they should not fear the results of this study. If it is not, it deserves a closer look.●

### FISCAL YEAR 1997 LEGISLATIVE BRANCH APPROPRIATIONS ACT

Mrs. MURRAY. Mr. President, I rise to discuss briefly the fiscal year 1997 Legislative Branch Appropriations Act. This afternoon, the Committee on Appropriations reported the bill unanimously, and I expect it to reach the floor prior to the August recess.

Mr. President, I would like to commend the chairman, Senator MACK, for putting together a solid bill. His leadership on legislative branch issues has been terrific, and I have been excited to work with him on a bipartisan basis to manage the operations of Congress in a responsive—and responsible—way. He was bold last year, and it paid off. We have been able to reduce our spending by over $200 million—about 10 percent—in the past year.

This year, we continue the effort to streamline by reducing our internal budget by nearly $20 million in fiscal year 1997. We have taken testimony from legislative branch agencies affirming that they, under the funding levels in the bill, can maintain a high level of quality services to Members. Senators in turn should be able to provide responsive, high quality service to their constituents.

I would like to highlight one provision in the bill for Members of the Senate. With the enthusiastic support of Chairman MACK, I have included language that will enable the Sergeant at Arms to transfer excess or surplus computer equipment to schools.

In the past, the Senate sold its computers to employees at bargain prices. Fortunately, this practice has been terminated, and I commend the Sergeant at Arms for doing so. For the past couple years, our computers have simply been transferred to GSA for disposal through the normal surplus process.

I think Senators should be aware that the Senate disposes of over 1,500

computers every year. Over the past 3 years, nearly 5,000 computers have been let go. For the most part, these are IBM-compatible, 386, 16-megahertz machines. They are a generation old, but they could be very useful to schools, especially in rural areas, that may not have a big budget to buy fancy new computers.

I am fortunate to represent Washington State, which is very aggressive in trying to put computers in the classroom. Our companies have been generous in donating software and hardware, and people are excited about giving kids skills that will help them get an edge in life.

But not every school district is moving aggressively on computers. Many don't even know how to go about it, and cannot afford it. I am certain that every Senator is aware of how fast technology is evolving in our economy. I really believe that, in the future, a child's ability to compete in the work force will be measured in part by his or her familiarity with computers. In my view, the earlier they start, the better.

The Senate will debate the broad role of Government in education technology, and I look forward to having that debate. For now there is a small, and I think constructive, role for the Senate to play. We can use the bully pulpit. We can lead by example. We can help children by giving our computers to schools that want or need them. By doing this, we can help some kids, and we can show the country we think bringing technology to the classroom is a high priority.

Here is how it will work: the Sergeant at Arms will make sure that any excess or surplus computers are in good working order. Then he will make them available to interested schools at the lowest possible cost to both the Senate and the schools. Most likely, he will transfer these computers to the General Services Administration. GSA, in turn, will provide information to schools through its regional offices about available inventory. The equipment eligible for transfer will include computers, keyboards, monitors, printers, modems, and other peripheral hardware as described in the bill.

I envision schools being able to obtain this equipment on a first-come, first-served basis, for the cost of shipping and handling from GSA regional offices. The language provides the Sergeant at Arms with flexibility to determine the best way to complete the transfers.

Earlier this year, President Clinton issued an executive order stating that the GSA should document surplus computers in Federal agencies. And in May, I offered a sense-of-the-Senate resolution expressing the view that the Senate should also inventory its computers and create a process of getting Government computers into schools and other educational organizations. The language in the bill before us sets out a specific process so the Senate can play a role in this important effort.

Mr. President, I think this is a useful change in policy. I am grateful the committee has acted today in a manner consistent with my amendment as adopted last May. And, I welcome the support of Senator LEAHY, who has taken an active and enthusiastic interest in this issue. He has been a big help. Again, I appreciate the help of Chairman MACK on this, and I look forward to working with him and the Sergeant at Arms to make this work.●

● Mr. LEAHY. I rise in strong support of Senator MURRAY's language in the legislative appropriations bill. This language would require the Senate to streamline the transfer of excess and surplus computer equipment to our Nation's classrooms. It would require the Senate to follow the same guidelines that the Federal agencies must follow in accordance with the President's Federal Executive Order.

President Clinton has set forth an ambitious goal to bring computers to every school in America. Congress should lead the way. Thanks to Senator MURRAY's efforts, the Senate will be participating in this initiative.

Recently, I wrote several letters to the Sergeant at Arms to find out what our official Senate policy is concerning disposal of excess surplus computer equipment. I was surprised to hear that the Senate does not have an official policy. In the past the Senate has sold excess computer equipment or transferred it over to GSA for later sale. Since 1993, the Senate disposed of 4,400 pieces of computer equipment. Of that total 2,600 have been sold, 1,400 have been transferred to GSA, and 400 have been retained for parts. These computers would have been a wonderful resource to our Nation's schools.

I encourage my colleagues to join our efforts in creating a partnership with our nation's schools and bring computers to every classroom in America so that all students may have the benefits of our new educational technology.●

## CBO ESTIMATE ON S. 1730, THE OIL SPILL PREVENTION AND RESPONSE IMPROVEMENT ACT

● Mr. CHAFEE. Mr. President, I ask to have printed in the RECORD supplemental budgetary estimates on Calendar Number 466, S. 1730, the Oil Spill Prevention and Response Improvement Act of 1996. Section 403 of the Congressional Budget and Impoundment Act requires that a statement of the cost of a reported bill be included in the report. When the Committee on Environment and Public Works filed the report to S. 1730 on June 26, 1996, we included only a portion of the estimated impact of the bill. CBO had not completed the estimated impact at the time of filing. I am pleased to report that the cost statements to be included in today's RECORD complete the CBO estimate for S. 1730.

The estimates follow:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
*Washington, DC, July 17, 1996.*

Hon. JOHN H. CHAFEE,
*Chairman, Committee on Environment and Public Works, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed mandate cost statements for S. 1730, the Oil Spill Prevention and Response Improvement Act, as reported by the Senate Committee on Environment and Public Works on June 26, 1996. CBO transmitted its estimate of the impact of S. 1730 on the federal budget on June 26, 1996.

Enactment of S. 1730 would impose both intergovernmental and private-sector mandates as defined by the Unfunded Mandates Reform Act of 1995 (Public Law 104–4). The costs of the mandates would not exceed the respective $50 million and $100 million annual thresholds.

If you wish further details on these estimates, we will be pleased to provide them.

Sincerely,

JAMES L. BLUM
(For June E. O'Neill).

CONGRESSIONAL BUDGET OFFICE ESTIMATED COST OF INTERGOVERNMENTAL MANDATES, JULY 17, 1996

1. Bill number: S. 1730.

2. Bill title: The Oil Spill Prevention and Response Improvement Act.

3. Bill status: As reported by the Senate Committee on Environment and Public Works on June 26, 1996.

4. Bill purpose: The bill would amend federal law dealing with oil pollution by: imposing new operational, structural, and safety requirements on tanker and towing vessels; allowing more funds to be spent out of the emergency fund of the Oil Spill Liability Trust Fund; and limiting the liability of certain tanker vessels that have double hulls and are responsible for oil spills.

5. Intergovernmental mandates contained in bill:

Vessel Requirements. The bill would require the Secretary of Transportation to incorporate additional measures in three sets of rules being proposed by the Coast Guard. The rules deal with navigational equipment for towing vessels and operational and structural requirements for tanker vessels that have a single hull and weigh more than 5,000 gross tons. These requirements are intergovernmental mandates because a small fraction of these vessels, less than 2 percent, are owned by state, local, and tribal governments.

Under-Keel Clearance. S.1730 would preempt the authority of captains of ports to establish minimum under-keel clearances in their ports by requiring the Secretary of Transportation to establish minimum under-keel clearances for each port. This preemption constitutes an intergovernmental mandate because ports are owned by state and local governments or their subsidiaries. However, this preemption might occur under current law. The Coast Guard is about to issue a final rule regarding structural and operational measures for tanker vessels that have a single hull and weigh more than 5,000 gross tons. The Coast Guard's proposed rule would prohibit vessels with an under-keel clearance of less than 0.5 meters from entering or exiting a port without the approval of the captain of the port.

6. Estimated direct costs of mandates to State, local, and tribal governments:

(a) Is the $50 Million Threshold Exceeded? No.

(b) Total Direct Costs of Mandates: The new requirements on tanker and towing vessels owned by state, local, or tribal governments would have a negligible effect on their

budgets. Preempting the authority of port captains to establish a minimum under-keel clearance for their ports would have no direct impact on the budgets of ports.

(c) Estimate of Necessary Budget Authority: Not applicable.

7. Basis of estimate:

Vessel Requirements. S. 1730 would modify three rulemakings that the Coast Guard is currently carrying out. If the final rules are not in place by the dates specified in the bill (all of which are in the next six months), S. 1730 would require that the proposed rules be in effect until the final rules are put in place.

Based on information provided by the Coast Guard, CBO expects that all the final rules will be in place by the deadlines specified in the bill or by October 1, 1996, the assumed enactment date of the bill. Enactment of S. 1730 should therefore not result in the rules being imposed earlier than they would otherwise be imposed under current law. If the Coast Guard does not meet the deadlines, however, the shipping industry would face about $15 million per month in additional costs because it would have to comply with the proposed rules at an earlier date than would occur under current law. Vessels owned by state, local, and tribal governments would bear a small fraction of these costs.

The bill would also require the Coast Guard to add additional requirements to its final rules, such as fire suppression equipment on towing vessels and safety measures for single-hull barges. CBO estimates that the up-front costs for the shipping industry as a whole would be no more than $18 million and annual operational costs would be minimal. Because less than 2 percent of these vessels are owned by state, local, and tribal governments, the cost of these intergovernmental mandates would be negligible.

Under-Keel Clearance. Preempting the authority of port captains to establish a minimum under-keel clearance for their ports would have no direct impact on the budgets of ports. Ports could experience indirect costs, however; these costs are discussed below in the section titled ''Other Impacts On State, Local, and Tribal Governments.''

8. Appropriation or other federal financial assistance provided in bill to cover mandate costs: None.

9. Other impacts on State, local, and tribal governments:

Under-Keel Clearance. The current proposed rule for tanker vessels includes a minimum under-keel clearance that would apply uniformly to all ports. Because the shipping industry and port authorities have objected to a national standard, it is unclear whether the final rule will set a minimum under-keel clearance. The bill would settle the dispute by requiring the Secretary of Transportation to establish a separate minimum clearance for each port. CBO has no basis for predicting whether these standards would be more or less stringent than the standards that would be established under current law.

If the clearance requirements are less stringent than the requirement under current law, ports would not incur additional costs. If the clearance requirements are more stringent, ports could choose to increase their under-keel clearance and could face additional costs for activities such as dredging in order to avoid losing business to deeper ports. Because the enforceable duty would be imposed on operators of vessels, not on ports, such costs would be considered an indirect effect of a mandate.

Spending from the Oil Spill Liability Trust Fund (OSLTF). CBO estimates that federal direct spending from the emergency fund of the Oil Spill Liability Trust Fund (OSLTF) would increase by $40 million (from $20 million to $60 million) in fiscal year 1997 and by $45 million (from $15 million to $60 million) annually thereafter.

These increases would result from broadening how the funds can be used and by increasing the overall cap on direct spending from $50 million to $60 million. (Even though the current annual cap is $50 million, we expect that spending from the emergency fund will be between $15 million and $20 million annually under current law.) CBO expects that some of these additional funds would go to the states.

States currently have the legal and operational responsibility to cap idle oil wells. This bill would allow emergency funds from the OSLTF to pay for some of these costs, but the states would have to pay at least half. In addition, some of the costs associated with oil spills that are often paid for by states, including the full cost of assessing damages to natural resources and mitigating ecological injuries, would now be an eligible use of OSLTF emergency funds.

Limit on Oil Spill Liability. Current law caps the liability of parties who are responsible for oil spills. However, the cap does not apply to cases where federal safety, construction, or operating regulations are violated. S. 1730 would extend the liability cap to these cases if the tanker involved has a double hull. State, local, and tribal governments are often the recipients of awards from liability claims. Because the bill would expand the cases to which the liability cap applies, state, local, and tribal governments may receive smaller awards in future liability cases.

10. Previous CBO estimate: None.

11. Estimate prepared by: John Patterson.

12. Estimate approved by: Robert A. Sunshine, for Paul N. Van de Water, Assistant Director for Budget Analysis.

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CONGRESSIONAL BUDGET OFFICE ESTIMATE OF COSTS OF PRIVATE SECTOR MANDATES, JULY 17, 1996

1. Bill number: S. 1730.

2. Bill title: The Oil Spill Prevention and Response Improvement Act.

3. Bill status: As reported by the Senate Committee on Environment and Public Works on June 26, 1996.

4. Bill purpose: The bill would amend provisions of the Oil Pollution Act of 1990 (OPA) that address oil spill prevention and safety measures.

5. Private sector mandates contained in bill:

S. 1730 would require the Secretary of Transportation to incorporate additional mandates in the operational, structural, and navigational rules currently proposed by the U.S. Coast Guard. In addition, the bill would put into effect the Coast Guard's current proposed rules by specified dates (all of which occur within the next six months) if the Coast Guard's final rules are not effective by deadlines specified under current law. The rules address navigational and safety equipment for towing vessels and operational and structural requirements for tanker vessels that have a single hull and weight more than 5,000 gross tons.

Based on information provided by the U.S. Coast Guard, CBO assumes that the final rules will be effective by the specified deadlines or by October 1, 1996, the assumed enactment date of the bill. CBO also assumes that the Coast Guard's final operational, structural, and navigational rules will reflect the respective currently proposed rules. If the Coast Guard does not meet the specified deadlines, the shipping industry would incur additional costs because the industry would have to comply with interim rules sooner than under current law. In addition, S. 1730 would require the final operational rule to include specific safety requirements to prevent the grounding of single-hull barges and the establishment of a minimum under-keel clearance for those vessels. The final navigational rule would have to include a requirement that towing vessels have fire-suppression systems. Further, advertisements that currently indicate the designation and procedures by which claims may be presented would also have to announce that claimants may present interim claims for short-term damages.

6. Estimated direct cost to the private sector:

S. 1730 would impose private-sector mandates that would most likely fall below the annual threshold as defined in Public Law 104–4. In the unlikely event that the Coast Guard's operational rule is delayed seven months after S. 1730 is enacted, costs could exceed the $100 million threshold in the first year.

Interim Rules. If S. 1730 were to be enacted before the Coast Guard's final operational rule is effective, the bill would impose interim private-sector mandates for operational activities. The interim operational rule would be identical to the proposed operational rule published by the Coast Guard in the Supplemental Notice of proposed Rulemaking (60 Fed. Reg. 55,904 (1995)), and would be in effect until the Coast Guard's final rule is effective. Based on information contained in the proposed rule, CBO estimates that the mandates imposed by the interim rule would cost the private sector approximately $15 million per month during the first year the interim rule is in effect. After the first year, the annual costs would decline. The costs imposed by the interim operational rule would not exceed the $100 million threshold unless the Coast Guard's final operational rule is still not effective seven months after S. 1730 is enacted.

S. 1730 also would impose an interim rule on vessel structure that would be identical to the proposed rule published by the Coast Guard in the Notice of Proposed Rulemaking (58 Fed. Reg. 54,870 (1993)) if the final structural rule is not effective by December 18, 1996. In the event that the final structural rule is not effective before the deadline, compliance with the proposed structural rule would not be required for three years. Therefore, the private sector would not likely make structural changes during the interim.

Similarly, the bill would impose an interim navigational rule if the Coast Guard's final rule on safety equipment for towing vessel does not become effective by September 30, 1996. The interim navigational rule would be identical to the proposed rule published by the Coast Guard in the Notice Proposed Rulemaking (58 Fed. Reg. 54,870 (1993)). In the event that the final navigational rule is not effective before the deadline, the private sector would not likely make any significant changes during the interim since compliance with some of the provisions would not be required for one to five years.

New Rulemaking Requirements. Under section 101 of the bill, the final rule on operational requirements must include a provision requiring all single-hull barges over 5,000 gross tons operating in open ocean or coastal waters to have at least one of the following: (1) a crew member on board and an operable anchor, (2) an emergency system on board the vessel towing the barge, or (3) any other measure that provides similar protection. Based on discussions with industry representatives, CBO estimates that the incremental cost of complying with this provision would be less than $1 million over five years.

Section 101 of the bill would require that the final operation rule include a provision requiring the establishment of a minimum

under-keel clearance for each port in which a single-hull vessel operates. It is unclear if this provision would result in more or less stringent requirements than the 0.5 meter uniform under-keel clearance in the Coast Guard's proposed rule. The effect of this requirement would be to impose operational restrictions on such vessels not meeting the port's established under-keel clearance when entering or departing from the port and when operating in an inland or coastal waterway. If the effect of the under-keel clearance provision in the bill is to provide greater flexibility than the 0.5 meter uniform under-keel clearance in the proposed rule, then this provision of the bill would result in lower private-sector costs compared to the costs associated with the current proposed operational rule. However, if the bill leads to more stringent under-keel clearance requirements relative to current practice, this provision would result in increased costs to the private sector since vessels would have to lighter cargo or use alternative ports.

Section 103 would require that the final navigational rule include a provision requiring a towing vessel to have a fire-suppression system or other equipment to suppress an onboard fire. Based on information provided by the Coast Guard and the private sector, CBO estimates that this provision would result in costs to the private sector between $6 million and $18 million during the first year for installation and a minimal amount for operating costs thereafter.

Advertising Requirements. S. 1730 would impose an additional mandate concerning the advertising requirements in the Oil Pollution Act of 1990. Currently, the responsible party or guarantor of an incident must advertise the designation and the procedures by which claims may be presented. Section 201 would require that such advertisements must also announce that claimants may present interim claims for short-term damages. CBO estimates that the additional advertising requirement would impose minimal costs on the private sector.

7. Previous CBO estimate: None.

8. Estimate prepared by: Amy Downs (226–2940)

9. Estimate approved by: Jan Acton, Assistant Director for Natural Resources and Commerce.●

## ''CAN DOLE ESCAPE SENATE LEADERS' POOR PRESIDENTIAL RECORD?

Mr. LEAHY. Mr. President, Prof. Garrison Nelson is one of our country's foremost experts on Congress and the Presidency, and Vermont has been lucky to call him our own during his tenure at the University of Vermont. He recently wrote an interesting column for Roll Call about the historical record of Senate leaders who run for president. It is an entertaining and informative analysis that I hope other Senators will have a chance to read.

I ask that an article entitled ''Can Dole Escape Senate Leaders' Poor Presidential Record?'' be printed in the RECORD.

The article follows:

CAN DOLE ESCAPE SENATE LEADERS' POOR PRESIDENTIAL RECORD?

Senate Majority Leader Bob Dole's (R-Kan) decision to resign from office in the midst of his presidential campaign isn't so surprising when you take into account the history of Republican Senate leaders in presidential contests.

That's because, almost without exception, a Congressional leadership post has been the kiss of death for White House aspirants.

Dole is the latest of several Congressional leaders throughout the nation's history who have sought the presidency. Whether he, by abandoning his post, will have more success than others did remains to be seen.

In a recent assessment, I found some 112 broadly defined ''blips'' made by Congressional leaders on the presidential radar screen from 1856 through 1966. These ''blips'' represent instances of Congressional leaders who appeared anywhere on the presidential (or vice presidential) charts—whether in delegate votes at the nominating conventions, or popular votes during the presidential primaries, or in discernible mentions in public opinion speculations about candidacies.

Some of these ''blips'' were trivial: ''favorite son'' votes at the convention or passing mentions in the opinion polls. But others had real meaning.

Prior to the passage in 1912 of the 17th Amendment, which instituted direct election of Senators, House leaders had a clear edge over Senate counterparts in the presidential calculus of the party kingmakers who put tickets together. This was particularly true to Republican conventions, which gave House leaders 20 considerations to only six for Senate leaders during the selections made in some 15 conventions.

While the Democratic conventions in the 1856–1912 era may have divided their presidential and vice presidential considerations for Congressional leaders between the two chambers equally—11 to 11—the point was relatively moot because Republican nominees won 11 of the 15 presidential contests.

Not until 1964 was a Democratic Congressional leader nominated for president: Lyndon Johnson (Texas), who had begun his executive service as vice president and was already seated as president at the time of the convention.

Republican Congressional leaders have been more successful at gaining the presidential brass ring. The first Republican Congressional leader to be nominated for the top executive post was House Speaker Schuyler Colfax (Ind), who was nominated and elected as Ulysses S. Grant's first vice president in 1868.

Four times in the 20 years between 1880 and 1900, past and present House floor leaders were nominated for president by Republican conventions.

Since then, almost a century has passed, and only one House Republican leader has been nominated for either post and that was Gerald Ford's 1976 selection as president. But Ford was already president at the time, albeit unelected, and had not made it onto the presidential screen at any time during his nine-year stint as House Republican floor leader.

Senate leaders have been slow to develop as nominees. While two sitting Senators were nominated and elected—Ohio's Warren Harding in 1920 and Massachusetts's John Kennedy in 1960—it is important to remember that neither held a leadership post.

It was not until 1928 that the nominating conventions took serious note of sitting Senate floor leaders. That year, both parties chose their respective Senate floor leaders as vice presidential candidates. Republican Charles Curtis of Kansas ran with Commerce Secretary Herbert Hoover while Democrat Joseph Robinson of Arkansas ran with New York Gov. Al Smith.

House Democrats were the least likely to be nominated, with their 18 considerations generating only two vice presidential nominations—both for Speaker ''Cactus'' Jack Garner of Texas in 1932 and 1936. But both nominations were successful. Running with FDR made the cantankerous former Speaker electable.

House Republicans picked off six nominations for their 26 considerations—double the rate of the House Democrats. But only one occurred in the past 90 years.

Senate Democratic leaders garnered the most considerations (41), as well as the most presidential and vice presidential nominations (seven). All four of their victories came after World War II. Among them were: Majority Leader Alben Barkley (Ky.) for vice president in 1948; Majority Leader Johnson for vice president in 1960 and president in 1964; and Whip Hubert Humphrey for vice president in 1964.

But it is Senate Republican leaders who seem to have encountered the most difficulty. They received 27 considerations, but only five nominations—only one of which was for president (Dole, this year, which has yet to be officially confirmed).

Their four vice presidential nominations produced only one victory—Curtis in 1928. So the 26 considerations which the Senate Republican leaders received prior to 1996 produced one vice presidential victory—a success rate of 4 percent, the lowest for any of the four Congressional leadership categories.

Even though it was a fellow Kansan who earned the lone victory by a Senate Republican leader, clearly Dole made the right move in getting out of the Senate. He has escaped the Temple of Presidential Doom.

Now if he can just convince voters that he never held a leadership post there, he might be able to move up in the polls and avoid the kiss of death that those posts seem to be in presidential politics.●

## TRIBUTE TO TIMOTHY MARQUIS, JOANNE MILLETTE, SYMA MIRZA, AND KENNETH JOHNSON ON BEING SELECTED AS PRESIDENTIAL SCHOLARS FROM NEW HAMPSHIRE

● Mr. SMITH. Mr. President, I rise today to pay tribute to Timothy Marquis, Joanne Millette, Syma Myrza, and Kenneth Johnson and congratulate them on being named White House Presidential Scholars. These students were among the 141 students chosen for this prestigious award from more than 2,600 high school seniors. Last month, these New Hampshire students were in Washington to participate in special events highlighting Presidential Scholars National Recognition Week.

The Presidential Scholars Program was created by President Lyndon B. Johnson in 1964 to honor our Nation's most outstanding students. In 1979, the program was expanded to include accomplished students from the visual, creative, and performing arts. This year, the General Motors and Saturn companies sponsored the Presidential Scholars Program and the events in Washington.

Timothy, Joanne, Syma, and Kenneth are four outstanding New Hampshire students who have worked very hard to achieve academic excellence. Their dedication deserves this special recognition. They were selected as Presidential scholars on the basis of academic success, essays, school recommendations, leadership, character, and commitment to high ideals. One of the primary goals of this program is to

help young people recognize the value of their accomplishments. In addition to receiving this award, each student was asked to name the teacher who most influenced them during their high school career. These teachers are named as a National Distinguished Teacher and are invited to participate in the National Recognition Week.

These students have worked hard to achieve excellence and this award honors their hard work and perseverance. These students are remarkable because they have achieved not only academic excellence, but are also leaders in their schools and dedicated to community service. Each student has given back to the community that nurtured them. I am proud to recognize these four outstanding young people as New Hampshire's finest and congratulate them on the receipt of the White House Presidential Scholars Award.●

## HENRY PESTKA

● Mr. LEVIN. Mr. President, I rise today to honor a man who has overcome great adversity to become a pillar of his community, Henry Pestka of Grand Rapids, MI.

Henry Pestka was born in Poland on July 29, 1922, the son of Saul and Marie Pestka. Saul Pestka was a builder and developer who taught his son his craft. After the Nazi occupation of Poland, Henry was interned in a number of concentration camps, including the notorious Auschwitz Death Camp.

In 1944, Pestka and two other prisoners escaped during a forced death march, and were found by members of the Free French Army. Henry joined the Polish Battalion of the Free French Army. He has the unique distinction of being not only one of the few survivors of Auschwitz Death Camp, but also a decorated combat veteran of the Allied cause in the Second World War. Tragically, both his parents and siblings perished. Henry was the only survivor.

In 1946, at the urging of his only living relatives, Henry immigrated to the United States and settled in Grand Rapids, MI. When Henry arrived, he could not speak English. He enrolled in night classes at Union High School and was given employment by a friend of his father's from Poland. In short, Henry came to the United States without money, with a very limited family, and unable to speak English.

In December 1948, Henry married Beatrice Bergman. Prior to the marriage, Henry had started working at Bergman Auto Supplies, selling auto parts and installing seat covers. In the late 1950's, Henry and his partner, Herman Bergman, began purchasing and developing property using the lessons gleaned from his father as a boy in Poland. For the past 40 years, Henry has developed shopping centers, office buildings, restaurants, apartment complexes, and industrial buildings. He has worked with major companies, both in the Grand Rapids area and across the United States.

Henry's proudest achievement was his tenure as building chairman for Congregation Ahavas Israel. He devoted a year of his life to this project and served without fee. Ultimately, in 1971, the beautiful structure was completed. At the time, Henry was honored by the Grand Rapids mayor, Bob Boelens, and by the entire congregation. In the foyer of the synagogue is an affecting mural depicting the 6 million innocent victims of Nazi genocide. In his own way, Henry has contributed not only to the memory of those who perished, but also built an institution to serve future generations including his own grandchildren.

Henry's philanthropy is legendary, particularly toward those institutions fighting bigotry or helping the sick and disabled. Among the organizations which he has consistently supported are the Anti-Defamation League, the Southern Poverty Law Center, the U.S. Holocaust Museum, the American Cancer Society, the American Heart Association, the Arthritis Foundation, St. Jude's Children's Hospital, and the Salvation Army. On a local level, Henry has supported Hope Network, Project Rehab, and many, many others.

His life has been a testament to overcoming horrific adversity and prevailing. He has built a uniquely American life, for which he can be forever proud. I know that my Senate colleague will join me in honoring Henry Pestka.●

## CALIFORNIA CITIES FIGHT JUNK GUNS

Mrs. BOXER. Mr. President, earlier this year, I introduced legislation to prohibit the sale and manufacture of Junk Guns, or as they are also called, Saturday Night Specials. The importation of these cheap, easily concealable, and unsafe weapons has been prohibited since 1968, but their domestic production continues to soar.

In 1995, eight of the ten firearms most frequently traced at crime scenes were junk guns. These guns are the criminals' choice, and we must act now to get them out of our schools and our communities. Nationwide, gun violence is now the second leading cause of death of among children. In California, gun violence is number one. For the sake of our children, we must pass the Junk Gun Violence Protection Act.

My bill has received strong support from California's law enforcement leaders. The California Police Chiefs Association has endorsed my bill along with more than two dozen individual police chiefs and sheriffs representing some of California's largest cities and counties.

Today, I want to report on an extraordinary event that occurred last week in Oakland. On July 8, the mayors of 15 cities in California's East Bay joined together and pledged to get junk guns off the streets of their communities. These mayors said that they were frustrated by the 104th Congress' unwillingness to enact the common sense reforms that my bill would make. Although they acknowledge that Federal legislation would be more effective than local ordinances, they have decided not to wait until Washington gets the message that these guns must be taken off our streets.

The cities of West Hollywood, San Francisco, Oakland, and Alameda have already passed ordinances to ban the sales of junk guns. More than a dozen municipalities in Alameda and Contra Costa counties are expected to follow soon. When junk guns are banned in these East Bay communities, it will create the largest junk gun-free zone in the country.

The courageous actions taken by these East Bay mayors provides real momentum to the movement to ban junk guns nationwide. I commend these communities for their leadership, and once again, I urge my colleagues to support S. 1654, the Junk Gun Violence Protection Act.

I ask that the following articles be printed in the RECORD.

The articles follow:

[From the Oakland Tribune, July 18, 1996]

### ALAMEDA JOINS EAST BAY CITIES IN SHOOTING DOWN JUNK GUNS

(By Kathleen Kirkwood)

ALAMEDA.—The City Council has joined other East Bay cities in approving an ordinance banning the sale of junk guns; the so-called Saturday night specials.

The ordinance is patterned after a similar law in West Hollywood, now facing a court challenge on the grounds it is preempted by state regulations.

Several gun owners appealed to the Alameda council Tuesday to reject the law, saying it was a sham and couldn't be enforced because of overriding state law. Even if it were imposed, it couldn't stem the tide of gun-related crimes anyway, Herb Leong of San Francisco said.

''I don't believe this is a law that's worth your effort,'' Leong said. ''What we need to do is change people. We can't change what they do by taking away a tool.''

Local gun dealer James Figone said he doesn't sell junk guns, which are usually cheap and unreliable. But he said the city would be infringing on constitutional rights to bear arms.

''The whole point of these laws is to take guns out of the public's hands,'' Figone said.

Figone and others also criticized the ordinance's lack of a specific list of which guns would be targeted.

Instead, it states that the police chief will issue a list of firearms, at a future date, that meets the description of guns to be banned.

Generally, they're defined as cheap, poorly-manufactured, short-barreled handguns, Police Chief Barry Matthews said.

Matthews passed around five junk guns to council members that had been confiscated by Alameda police, calling them ''garbage'' weapons and ''messengers of death.''

He said it was hard to tell what effect the junk gun ban would have if imposed in Alameda.

''There will be a difference—to what degree I can't say,'' Matthews said.

In 1993, he said, junk handguns accounted for 8 out of 10 firearms most frequently confiscated by police in California. An estimated 90 percent of such guns available in the United States are manufactured in California. Import of such guns into the United States is already banned.

The mayors and police chiefs of 21 cities in the East Bay are backing the ordinance, hoping to send a signal to legislators.

''Maybe it won't stop smuggling or crime,'' Mayor Ralph Appezzato said. ''Symbolic? Maybe, maybe not. But we've got to try.''

Alameda was among seven cities along the I–880 corridor to approve or at least study the junk gun ordinance ban in the first reading of the law this week.

Oakland and Berkeley have given the ban approval on a second reading, which is required for final passage.

REGION TAKES THE LEAD TO CORRAL 'JUNK GUNS'

The new push by Bay Area civic leader's to take ''junk guns'' out of circulation probably won't take the weapons off the streets altogether. But it is likely to have some success. And it stands as a powerful statement by those who lead our local governments: We've had enough, and we're going to work together, as a region, to solve this problem.

''We are standing together, and sending a message that no matter where you live, in what city or county, violence is there and we need to do something about it,'' said Berkeley Mayor Shidey Dean, chairwoman of the East Bay Public Safety Corridor Partnership.

The partnership, the largest regional approach to fighting junk guns in the nation, encompasses Fremont, Newark, Union City, Hayward, San Leandro, Alameda, Berkeley, Oakland, Piedmont, Albany, Emeryville, El Cerrito, Richmond, San Pablo and Pinole. Dean wants other cities to join.

San Francisco and Alameda County have already outlawed the weapons, and San Jose is considering a ban.

The regional approach is being taken up by Bay Area politicians who have given up on the federal and state governments. ''Politicians on the state and federal level, quite frankly, are afraid of the gun lobby,'' said Oakland Mayor Elihu Harris.

Junk guns, also known as Saturday night specials, are, generally speaking, poorly constructed and therefore less safe. They also are less expensive to buy. More technical definitions will be refined by those who write the local ordinances banning them. Suffice it to say, junk guns are easy to get and dangerous to use. They are used by gangs and considered status symbols.

BAY AREA HOMICIDES

People are dropping like flies in the Bay Area because of the availability of guns. Between 1991 and 1993, six out of every eight homicides in Alameda County involved a firearm, according to the Alameda County Injury Prevention program. Homicide rates were highest for those between 20 and 24.

If this push is going to succeed, other cities are going to have to climb on board. Several are considering gun bans. We urge them to follow through.

At least one East Bay civic leader, Dublin Mayor Guy Houston, wants no part of the regional gun ban. Using rhetoric that sounds as though it were written for him by the National Rifle Association, Houston eschews a ban on murderous weapons and says tougher penalties are the solution to the gun problem. The ''Three Strikes, You're Out'' law is taking care of the problem, Houston says.

Tougher penalties are fine, but by themselves they have not done the job. More is needed. At least Houston didn't utter the old NRA line, ''Guns don't kill people; people kill people.'' That's true; people do kill people—with guns. Fewer guns, fewer deaths.●

## AUTHORIZING SENATE LEGAL COUNSEL REPRESENTATION

Mr. DODD. Mr. President, on behalf of the Democratic leader, I send to the desk a resolution to authorize representation by the Senate counsel, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A resolution (S. Res. 281) to authorize representation by Senate legal counsel.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. DASCHLE. Mr. President, the plaintiff in Lockhart versus United States brought a civil action in May 1996 in Federal District Court in the Western District of Washington. The suit is against the United States and a number of legislative, executive, and judicial branch officials, including Senator LOTT and then-Senator Dole, as well as various members of President Clinton's Cabinet. The plaintiff seeks damages for a variety of injuries that he alleges the defendants inflicted upon him. The complaint's only connection with the majority leader and former Senator Dole consists of vague references to statutes that Congress has passed or repealed.

The complaint fails to establish any legitimate grievance with Senator LOTT or Senator Dole. This resolution authorizes the Senate Legal Counsel to represent these Members in this action.

Mr. DODD. I ask unanimous consent the resolution be agreed to, the motion to reconsider be laid on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution (S. Res. 281) was considered and agreed to as follows:

S. RES. 281

Whereas, in the case of *James Lockhart* v. *United States, et al.*, No. C95–1858Z, pending in the United States District Court for the Western District of Washington, the plaintiff has named Senator Trent Lott and former Senator Robert J. Dole as defenders;

Whereas, pursuant to sections 703(a) and 704(a)(1) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a) (1) (1994), the Senate may direct its counsel to defend its Members in civil actions relating to their official responsibilities: Now, therefore, be it

*Resolved*, That the Senate Legal Counsel is authorized to represent Senator Lott and former Senator Dole in the case of *James Lockhart* v. *United States, et al.*

## CHILD ABUSE PREVENTION AND TREATMENT ACT AMENDMENTS OF 1995

Mr. ROTH. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of calendar No. 149, S. 919.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

A bill (S. 919) to modify and reauthorize the Child Abuse Prevention and Treatment Act, and for other purposes.

The PRESIDING OFFICER. Is there objection to the immediate consideration of the bill?

There being no objection, the Senate proceeded to consider the bill which had been reported from the Comittee on Labor and Human Resources, with an amendment to strike out all after the enacting clause and inserting in lieu therefore the following:

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

(a) SHORT TITLE.—This Act may be cited as the ''Child Abuse Prevention and Treatment Act Amendments of 1995''.

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

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROGRAM

Sec. 101. Reference.
Sec. 102. Findings.
Sec. 103. Office of Child Abuse and Neglect.
Sec. 104. Advisory Board on Child Abuse and Neglect.
Sec. 105. Repeal of Interagency Task Force.
Sec. 106. National Clearinghouse for Information Relating to Child Abuse.
Sec. 107. Research and assistance activities.
Sec. 108. Grants for demonstration programs.
Sec. 109. State grants for prevention and treatment programs.
Sec. 110. Repeal.
Sec. 111. Miscellaneous requirements.
Sec. 112. Definitions.
Sec. 113. Authorization of appropriations.
Sec. 114. Rule of construction.
Sec. 115. Technical amendment.

TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

Sec. 201. Establishment of program.
Sec. 202. Repeals.

TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES

Sec. 301. Reference.
Sec. 302. State demonstration grants.
Sec. 303. Allotments.
Sec. 304. Authorization of appropriations.

TITLE IV—ADOPTION OPPORTUNITIES

Sec. 401. Reference.
Sec. 402. Findings and purpose.
Sec. 403. Information and services.
Sec. 404. Authorization of appropriations.

TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986

Sec. 501. Reauthorization.

TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS

Sec. 601. Missing Children's Assistance Act.
Sec. 602. Victims of Child Abuse Act of 1990.

***TITLE I—GENERAL PROGRAM***

***SEC. 101. REFERENCE.***

*Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5101 et seq.).*

***SEC. 102. FINDINGS.***

*Section 2 (42 U.S.C. 5101 note) is amended—*

*(1) in paragraph (1), the read as follows:*

*''(1) each year, close to 1,000,000 American children are victims of abuse and neglect;'';*

*(2) in paragraph (3)(C), by inserting ''assessment,'' after ''prevention,'';*

*(3) in paragraph (4)—*

*(A) by striking ''tens of''; and*

*(B) by striking ''direct'' and all that follows through the semicolon and inserting ''tangible*

*expenditures, as well as significant intangible costs;'';*

*(4) in paragraph (7), by striking ''remedy the causes of'' and inserting ''prevent'';*

*(5) in paragraph (8), by inserting ''safety,'' after ''fosters the health,'';*

*(6) in paragraph (10)—*

*(A) by striking ''ensure that every community in the United States has'' and inserting ''assist States and communities with''; and*

*(B) by inserting ''and family'' after ''comprehensive child''; and*

*(7) in paragraph (11)—*

*(A) by striking ''child protection'' each place that such appears and inserting ''child and family protection''; and*

*(B) in subparagraph (D), by striking ''sufficient''.*

***SEC. 103. OFFICE OF CHILD ABUSE AND NEGLECT.***

*Section 101 (42 U.S.C.5101) is amended to read as follows:*

***''SEC. 101. OFFICE OF CHILD ABUSE AND NEGLECT.***

*''(a) ESTABLISHMENT.—The Secretary of Health and Human Services may establish an office to be known as the Office on Child Abuse and Neglect.*

*''(b) PURPOSE.—The purpose of the Office established under subsection (a) shall be to execute and coordinate the functions and activities of this Act. In the event that such functions and activities are performed by another entity or entities within the Department of Health and Human Services, the Secretary shall ensure that such functions and activities are executed with the necessary expertise and in a fully coordinated manner involving regular intradepartmental and interdepartmental consultation with all agencies involved in child abuse and neglect activities.''.*

***SEC. 104. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.***

*Section 102 (42 U.S.C.5102) is amended to read as follows:*

***''SEC. 102. ADVISORY BOARD ON CHILD ABUSE AND NEGLECT.***

*''(a) APPOINTMENT.—The Secretary may appoint an advisory board to make recommendations to the Secretary and to the appropriate committees of Congress concerning specific issues relating to child abuse and neglect.*

*''(b) SOLICITATION OF NOMINATIONS.—The Secretary shall publish a notice in the Federal Register soliciting nominations for the appointment of members of the advisory board under subsection (a).*

*''(c) COMPOSITION.—In establishing the board under subsection (a), the Secretary shall appoint members from the general public who are individuals knowledgeable in child abuse and neglect prevention, intervention, treatment, or research, and with due consideration to representation of ethnic or racial minorities and diverse geographic areas, and who represent—*

*''(1) law (including the judiciary);*

*''(2) psychology (including child development);*

*''(3) social services (including child protective services);*

*''(4) medicine (including pediatrics);*

*''(5) State and local government;*

*''(6) organizations providing services to disabled persons;*

*''(7) organizations providing services to adolescents;*

*''(8) teachers;*

*''(9) parent self-help organizations;*

*''(10) parents' groups;*

*''(11) voluntary groups;*

*''(12) family rights groups; and*

*''(13) children's rights advocates.*

*''(d) VACANCIES.—Any vacancy in the membership of the board shall be filled in the same manner in which the original appointment was made.*

*''(e) ELECTION OF OFFICERS.—The board shall elect a chairperson and vice-chairperson at its first meeting from among the members of the board.*

*''(f) DUTIES.—Not later than 1 year after the establishment of the board under subsection (a), the board shall submit to the Secretary and the appropriate committees of Congress a report, or interim report, containing—*

*''(1) recommendations on coordinating Federal, State, and local child abuse and neglect activities with similar activities at the Federal, State, and local level pertaining to family violence prevention;*

*''(2) specific modifications needed in Federal and State laws and programs to reduce the number of unfounded or unsubstantiated reports of child abuse or neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and*

*''(3) recommendations for modifications needed to facilitate coordinated national data collection with respect to child protection and child welfare.''.*

***SEC. 105. REPEAL OF INTERAGENCY TASK FORCE.***

*Section 103 (42 U.S.C.5103) is repealed.*

***SEC. 106. NATIONAL CLEARINGHOUSE FOR INFORMATION RELATING TO CHILD ABUSE.***

*Section 104 (42 U.S.C.5104) is amended—*

*(1) in subsection (a), to read as follows:*

*''(a) ESTABLISHMENT.—The Secretary shall through the Department, or by one or more contracts of not less than 3 years duration let through a competition, establish a national clearinghouse for information relating to child abuse.'';*

*(2) in subsection (b)—*

*(A) in the matter preceding paragraph (1), by striking ''Director'' and inserting ''Secretary'';*

*(B) in paragraph (1)—*

*(i) by inserting ''assessment,'' after ''prevention,''; and*

*(ii) by striking '', including'' and all that follows through ''105(b)'' and inserting ''and'';*

*(C) in paragraph (2)—*

*(i) in subparagraph (A), by striking ''general population'' and inserting ''United States'';*

*(ii) in subparagraph (B), by adding ''and'' at the end thereof;*

*(iii) in subparagraph (C), by striking ''; and'' at the end thereof and inserting a period; and*

*(iv) by striking subparagraph (D); and*

*(D) by striking paragraph (3); and*

*(3) in subsection (c)—*

*(A) in the matter preceding paragraph (1), by striking ''Director'' and inserting ''Secretary'';*

*(B) in paragraph (2), by striking ''that is represented on the task force'' and inserting ''involved with child abuse and neglect and mechanisms for the sharing of such information among other Federal agencies and clearinghouses'';*

*(C) in paragraph (3), by striking ''State, regional'' and all that follows and inserting the following: ''Federal, State, regional, and local child welfare data systems which shall include:*

*''(A) standardized data on false, unfounded, unsubstantiated, and substantiated reports; and*

*''(B) information on the number of deaths due to child abuse and neglect;'';*

*(D) by redesignating paragraph (4) as paragraph (6); and*

*(E) by inserting after paragraph (3), the following new paragraphs:*

*''(4) through a national data collection and analysis program and in consultation with appropriate State and local agencies and experts in the field, collect, compile, and make available State child abuse and neglect reporting information which, to the extent practical, shall be universal and case specific, and integrated with other case-based foster care and adoption data collected by the Secretary;*

*''(5) compile, analyze, and publish a summary of the research conducted under section 105(a); and''.*

***SEC. 107. RESEARCH, EVALUATION AND ASSISTANCE ACTIVITIES.***

*(a) RESEARCH.—Section 105(a) (42 (42 U.S.C. 5105(a)) is amended—*

*(1) in the section heading, by striking ''OF THE NATIONAL CENTER ON CHILD ABUSE AND NEGLECT'';*

*(2) in paragraph (1)—*

*(A) in the matter preceding subparagraph (A), by striking '', through the Center, conduct research on'' and inserting '', in consultation with other Federal agencies and recognized experts in the field, carry out a continuing interdisciplinary program of research that is designed to provide information needed to better protect children from abuse or neglect and to improve the well-being of abused or neglected children, with at least a portion of such research being field initiated. Such research program may focus on'';*

*(B) by redesignating subparagraphs (A) through (C) as subparagraph (B) through (D), respectively;*

*(C) by inserting before subparagraph (B) (as so redesignated) the following new subparagraph:*

*''(A) the nature and scope of child abuse and neglect;'';*

*(D) in subparagraph (B) (as so redesignated), to read as follows:*

*''(B) causes, prevention, assessment, identification, treatment, cultural and socio-economic distinctions, and the consequences of child abuse and neglect;'';*

*(E) in subparagraph (D) (as so redesignated)—*

*(i) by striking clause (ii); and*

*(ii) in clause (iii), to read as follows:*

*''(ii) the incidence of substantiated and unsubstantiated reported child abuse cases;*

*''(iii) the number of substantiated cases that result in a judicial finding of child abuse or neglect or related criminal court convictions;*

*''(iv) the extent to which the number of unsubstantiated, unfounded and false reported cases of child abuse or neglect have contributed to the inability of a State to respond effectively to serious cases of child abuse or neglect;*

*''(v) the extent to which the lack of adequate resources and the lack of adequate training of reporters have contributed to the inability of a State to respond effectively to serious cases of child abuse and neglect;*

*''(vi) the number of unsubstantiated, false, or unfounded reports that have resulted in a child being placed in substitute care, and the duration of such placement;*

*''(vii) the extent to which unsubstantiated reports return as more serious cases of child abuse or neglect;*

*''(viii) the incidence and prevalence of physical, sexual, and emotional abuse and physical and emotional neglect in substitute care; and*

*''(ix) the incidence and outcomes of abuse allegations reported within the context of divorce, custody, or other family court proceedings, and the interaction between this venue and the child protective services system.''; and*

*(3) in paragraph (2)—*

*(A) in subparagraph (A)—*

*(i) by striking ''and demonstrations''; and*

*(ii) by striking ''paragraph (1)(A) and activities under section 106'' and inserting ''paragraph (1)''; and*

*(B) in subparagraph (B), by striking ''and demonstration''.*

*(b) REPEAL.—Subsection (b) of section 105 (42 U.S.C. 5105(b)) is repealed.*

*(c) TECHNICAL ASSISTANCE.—Section 105(c) (42 U.S.C. 5105(c)) is amended—*

*(1) by striking ''The Secretary'' and inserting: ''(1) IN GENERAL.—The Secretary'';*

*(2) by striking '', through the Center,'';*

*(3) by inserting ''State and local'' before ''public and nonprofit'';*

*(4) by inserting ''assessment,'' before ''identification''; and*

*(5) by adding at the end thereof the following new paragraphs:*

*''(2) EVALUATION.—Such technical assistance may include an evaluation or identification of—*

*''(A) various methods and procedures for the investigation, assessment, and prosecution of child physical and sexual abuse cases;*

''(B) ways to mitigate psychological trauma to the child victim; and

''(C) effective programs carried out by the States under titles I and II.

''(3) DISSEMINATION.—The Secretary may provide for and disseminate information relating to various training resources available at the State and local level to—

''(A) individuals who are engaged, or who intend to engage, in the prevention, identification, and treatment of child abuse and neglect; and

''(B) appropriate State and local officials to assist in training law enforcement, legal, judicial, medical, mental health, education, and child welfare personnel in appropriate methods of interacting during investigative, administrative, and judicial proceedings with children who have been subjected to abuse.''.

(d) GRANTS AND CONTRACTS.—Section 105(d)(2) (42 U.S.C. 5105(d)(2)) is amended by striking the second sentence.

(e) PEER REVIEW.—Section 105(e) (42 U.S.C. 5105(e)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking ''establish a formal'' and inserting '', in consultation with experts in the field and other federal agencies, establish a formal, rigorous, and meritorious'';

(ii) by striking ''and contracts''; and

(iii) by adding at the end thereof the following new sentence: ''The purpose of this process is to enhance the quality and usefulness of research in the field of child abuse and neglect.''; and

(B) in subparagraph (B)—

(i) by striking ''Office of Human Development'' and inserting ''Administration on Children and Families''; and

(ii) by adding at the end thereof the following new sentence: ''The Secretary shall ensure that the peer review panel utilizes scientifically valid review criteria and scoring guidelines for review committees.''; and

(2) in paragraph (2)—

(A) in the matter preceding subparagraph (A), by striking '', contract, or other financial assistance''; and

(B) by adding at the end thereof the following flush sentence:

''The Secretary shall award grants under this section on the basis of competitive review.''.

**SEC. 108. GRANTS FOR DEMONSTRATION PROGRAMS.**

Section 106 (42 U.S.C. 5106) is amended—

(1) in the section heading, by striking ''OR SERVICE'';

(2) in subsection (a), to read as follows:

''(a) DEMONSTRATION PROGRAMS AND PROJECTS.—The Secretary may make grants to, and enter into contracts with, public agencies or nonprofit private agencies or organizations (or combinations of such agencies or organizations) for time limited, demonstration programs and projects for the following purposes:

''(1) TRAINING PROGRAMS.—The Secretary may award grants to public or private non-profit organizations under this section—

''(A) for the training of professional and paraprofessional personnel in the fields of medicine, law, education, social work, and other relevant fields who are engaged in, or intend to work in, the field of prevention, identification, and treatment of child abuse and neglect, including the links between domestic violence and child abuse;

''(B) to provide culturally specific instruction in methods of protecting children from child abuse and neglect to children and to persons responsible for the welfare of children, including parents of and persons who work with children with disabilities;

''(C) to improve the recruitment, selection, and training of volunteers serving in private and public nonprofit children, youth and family service organizations in order to prevent child abuse and neglect through collaborative analysis of current recruitment, selection, and training programs and development of model programs for dissemination and replication nationally; and

''(D) for the establishment of resource centers for the purpose of providing information and training to professionals working in the field of child abuse and neglect.

''(2) MUTUAL SUPPORT PROGRAMS.—The Secretary may award grants to private non-profit organizations (such as Parents Anonymous) to establish or maintain a national network of mutual support and self-help programs as a means of strengthening families in partnership with their communities.

''(3) OTHER INNOVATIVE PROGRAMS AND PROJECTS.—

''(A) IN GENERAL.—The Secretary may award grants to public agencies that demonstrate innovation in responding to reports of child abuse and neglect including programs of collaborative partnerships between the State child protective service agency, community social service agencies and family support programs, schools, churches and synagogues, and other community agencies to allow for the establishment of a triage system that—

''(i) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require voluntary referral to another agency, program or project;

''(ii) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect; and

''(iii) provides further investigation and intensive intervention where the child's safety is in jeopardy.

''(B) KINSHIP CARE.—The Secretary may award grants to public entities to assist such entities in developing or implementing procedures using adult relatives as the preferred placement for children removed from their home, where such relatives are determined to be capable of providing a safe nurturing environment for the child or where such relatives comply with the State child protection standards.

''(C) VISITATION CENTERS.—The Secretary may award grants to public or private nonprofit entities to assist such entities in the establishment or operation of supervised visitation centers where there is documented, highly suspected, or elevated risk of child sexual, physical, or emotional abuse where, due to domestic violence, there is an ongoing risk of harm to a parent or child.'';

(3) in subsection (c), by striking paragraphs (1) and (2); and

(4) by adding at the end thereof the following new subsection:

''(d) EVALUATION.—In making grants for demonstration projects under this section, the Secretary shall require all such projects to be evaluated for their effectiveness. Funding for such evaluations shall be provided either as a stated percentage of a demonstration grant or as a separate grant entered into by the Secretary for the purpose of evaluating a particular demonstration project or group of projects.''.

**SEC. 109. STATE GRANTS FOR PREVENTION AND TREATMENT PROGRAMS.**

Section 107 (42 U.S.C. 5106a) is amended to read as follows:

**''SEC. 107. GRANTS TO STATES FOR CHILD ABUSE AND NEGLECT PREVENTION AND TREATMENT PROGRAMS.**

''(a) DEVELOPMENT AND OPERATION GRANTS.—The Secretary shall make grants to the States, based on the population of children under the age of 18 in each State that applies for a grant under this section, for purposes of assisting the States in improving the child protective service system of each such State in—

''(1) the intake, assessment, screening, and investigation of reports of abuse and neglect;

''(2)(A) creating and improving the use of multidisciplinary teams and interagency protocols to enhance investigations; and

''(B) improving legal preparation and representation, including—

''(i) procedures for appealing and responding to appeals of substantiated reports of abuse and neglect; and

''(ii) provisions for the appointment of a guardian ad litem.

''(3) case management and delivery of services provided to children and their families;

''(4) enhancing the general child protective system by improving risk and safety assessment tools and protocols, automation systems that support the program and track reports of child abuse and neglect from intake through final disposition and information referral systems;

''(5) developing, strengthening, and facilitating training opportunities and requirements for individuals overseeing and providing services to children and their families through the child protection system;

''(6) developing and facilitating training protocols for individuals mandated to report child abuse or neglect;

''(7) developing, strengthening, and supporting child abuse and neglect prevention, treatment, and research programs in the public and private sectors;

''(8) developing, implementing, or operating—

''(A) information and education programs or training programs designed to improve the provision of services to disabled infants with life-threatening conditions for—

''(i) professional and paraprofessional personnel concerned with the welfare of disabled infants with life-threatening conditions, including personnel employed in child protective services programs and health-care facilities; and

''(ii) the parents of such infants; and

''(B) programs to assist in obtaining or coordinating necessary services for families of disabled infants with life-threatening conditions, including—

''(i) existing social and health services;

''(ii) financial assistance; and

''(iii) services necessary to facilitate adoptive placement of any such infants who have been relinquished for adoption; or

''(9) developing and enhancing the capacity of community-based programs to integrate shared leadership strategies between parents and professionals to prevent and treat child abuse and neglect at the neighborhood level.

''(b) ELIGIBILITY REQUIREMENTS.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

''(1) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

''(A) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

''(B) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

''(C) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

''(D) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

''(E) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including methods to ensure that disclosure (and redisclosure) of information concerning child abuse or neglect involving specific individuals is made only to persons or entities that the State determines have a need for such information directly related to the purposes of this Act;

''(F) requirements for the prompt disclosure of all relevant information to any Federal, State, or local governmental entity, or any agent of such entity, with a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

''(G) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

''(H) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

''(I) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

''(2) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

''(A) coordination and consultation with individuals designated by and within appropriate health-care facilities;

''(B) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

''(C) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

''(c) ADDITIONAL REQUIREMENT.—Not later than 2 years after the date of enactment of this section, the State shall provide an assurance or certification that the State has in place provisions, procedures, and mechanisms by which individuals who disagree with an official finding of abuse or neglect can appeal such finding.

''(d) STATE PROGRAM PLAN.—To be eligible to receive a grant under this section, a State shall submit every 5 years a plan to the Secretary that specifies the child protective service system area or areas described in subsection (a) that the State intends to address with funds received under the grant. Such plan shall, to the maximum extent practicable, be coordinated with the plan of the State for child welfare services and family preservation and family support services under part B of title IV of the Social Security Act and shall contain an outline of the activities that the State intends to carry out using amounts provided under the grant to achieve the purposes of this Act, including the procedures to be used for—

''(1) receiving and assessing reports of child abuse or neglect;

''(2) investigating such reports;

''(3) protecting children by removing them from dangerous settings and ensuring their placement in a safe environment;

''(4) providing services or referral for services for families and children where the child is not in danger of harm;

''(5) providing services to individuals, families, or communities, either directly or through referral, aimed at preventing the occurrence of child abuse and neglect;

''(6) providing training to support direct line and supervisory personnel in report-taking, screening, assessment, decision-making, and referral for investigation; and

''(7) providing training for individuals mandated to report suspected cases of child abuse or neglect.

''(e) RESTRICTIONS RELATING TO CHILD WELFARE SERVICES.—Programs or projects relating to child abuse and neglect assisted under part B of title IV of the Social Security Act shall comply with the requirements set forth in paragraphs (1) (A) and (B), and (2) of subsection (b).

''(f) ANNUAL STATE DATA REPORTS.—Each State to which a grant is made under this part shall annually work with the Secretary to provide, to the maximum extent practicable, a report that includes the following:

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

''(2) Of the number of children described in paragraph (1), the number with respect to whom such reports were—

''(A) substantiated;

''(B) unsubstantiated; and

''(C) determined to be false.

''(3) Of the number of children described in paragraph (2)—

''(A) the number that did not receive services during the year under the State program funded under this part or an equivalent State program;

''(B) the number that received services during the year under the State program funded under this part or an equivalent State program; and

''(C) the number that were removed from their families during the year by disposition of the case.

''(4) The number of families that received preventive services from the State during the year.

''(5) The number of deaths in the State during the year resulting from child abuse or neglect.

''(6) Of the number of children described in paragraph (5), the number of such children who were in foster care.

''(7) The number of child protective service workers responsible for the intake and screening of reports filed in the previous year.

''(8) The agency response time with respect to each such report with respect to initial investigation of reports of child abuse or neglect.

''(9) The response time with respect to the provision of services to families and children where an allegation of abuse or neglect has been made.

''(10) The number of child protective service workers responsible for intake, assessment, and investigation of child abuse and neglect reports relative to the number of reports investigated in the previous year.

''(g) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after receiving the State reports under subsection (f), the Secretary shall prepare a report based on information provided by the States for the fiscal year under such subsection and shall make the report and such information available to the Congress and the national clearinghouse for information relating to child abuse.''.

**SEC. 110. REPEAL.**

Section 108 (42 U.S.C. 5106b) is repealed.

**SEC. 111. MISCELLANEOUS REQUIREMENTS.**

Section 110 (42 U.S.C. 5106d) is amended by striking subsections (c) and (d).

**SEC. 112. DEFINITIONS.**

Section 113 (42 U.S.C. 5106h) is amended—

(1) by striking paragraphs (1) and (2);

(2) by redesignating paragraphs (3) through (10) as paragraphs (1) through (8), respectively; and

(3) in paragraph (2) (as so redesignated), to read as follows:

''(2) the term 'child abuse and neglect' means, at a minimum, any recent act or failure to act on the part of a parent or caretaker, which results in death or serious physical, sexual, or emotional harm, or presents an imminent risk of serious harm;''.

**SEC. 113. AUTHORIZATION OF APPROPRIATIONS.**

Section 114(a) (42 U.S.C. 5106h(a)) is amended to read as follows:

''(a) IN GENERAL.—

''(1) GENERAL AUTHORIZATION.—There are authorized to be appropriated to carry out this title, $100,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000.

''(2) DISCRETIONARY ACTIVITIES.—

''(A) IN GENERAL.—Of the amounts appropriated for a fiscal year under paragraph (1), the Secretary shall make available 33⅓ percent of such amounts to fund discretionary activities under this title.

''(B) DEMONSTRATION PROJECTS.—Of the amounts made available for a fiscal year under subparagraph (A), the Secretary make available not more than 40 percent of such amounts to carry out section 106.''.

**SEC. 114. RULE OF CONSTRUCTION.**

Title I (42 U.S.C. 5101 et seq.) is amended by adding at the end thereof the following new section:

**''SEC. 115. RULE OF CONSTRUCTION.**

''(a) IN GENERAL.—Nothing in this Act shall be construed—

''(1) as establishing a Federal requirement that a parent or legal guardian provide a child any medical service or treatment against the religious beliefs of the parent or legal guardian; and

''(2) to require that a State find, or to prohibit a State from finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than medical treatment, in accordance with the religious beliefs of the parent or legal guardian.

''(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall, at a minimum, have in place authority under State law to permit the child protective service system of the State to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, to provide medical care or treatment for a child when such care or treatment is necessary to prevent or remedy serious harm to the child, or to prevent the withholding of medically indicated treatment from children with life threatening conditions. Case by case determinations concerning the exercise of the authority of this subsection shall be within the sole discretion of the State.''.

**SEC. 115. TECHNICAL AMENDMENT.**

Section 1404A of the Victims of Crime Act of 1984 (42 U.S.C. 10603a) is amended—

(1) by striking ''1402(d)(2)(D) and (d)(3)'' and inserting ''1402(d)(2)''; and

(2) by striking ''section 4(d)'' and inserting ''section 109''.

## TITLE II—COMMUNITY-BASED CHILD ABUSE AND NEGLECT PREVENTION GRANTS

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

Title II of the Child Abuse Prevention and Treatment Act (42 U.S.C. 5116 et seq) is amended to read as follows:

## ''TITLE II—COMMUNITY-BASED FAMILY RESOURCE AND SUPPORT GRANTS

**''SEC. 201. PURPOSE AND AUTHORITY.**

''(a) PURPOSE.—It is the purpose of this Act to support State efforts to develop, operate, expand and enhance a network of community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate resources among existing education, vocational rehabilitation, disability, respite, health, mental health, job readiness, self-sufficiency, child and family development, community action, Head Start, child care, child abuse and neglect prevention, juvenile justice, domestic violence prevention and intervention, housing, and other human service organizations within the State.

''(b) AUTHORITY.—The Secretary shall make grants under this title on a formula basis to the entity designated by the State as the lead entity (hereafter referred to in this title as the 'lead entity') for the purpose of—

''(1) developing, operating, expanding and enhancing Statewide networks of community-based, prevention-focused, family resource and support programs that—

''(A) offer sustained assistance to families;

''(B) provide early, comprehensive, and holistic support for all parents;

''(C) promote the development of parental competencies and capacities, especially in young parents and parents with very young children;

''(D) increase family stability;

''(E) improve family access to other formal and informal resources and opportunities for assistance available within communities;

''(F) support the additional needs of families with children with disabilities; and

''(G) decrease the risk of homelessness;

''(2) fostering the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships both public and private;

''(3) financing the start-up, maintenance, expansion, or redesign of specific family resource and support program services (such as respite services, child abuse and neglect prevention activities, disability services, mental health services, housing services, transportation, adult education, home visiting and other similar services) identified by the inventory and description of current services required under section 205(a)(3) as an unmet need, and integrated with the network of community-based family resource and support program to the extent practicable given funding levels and community priorities;

''(4) maximizing funding for the financing, planning, community mobilization, collaboration, assessment, information and referral, start-up, training and technical assistance, information management, reporting and evaluation costs for establishing, operating, or expanding a Statewide network of community-based, prevention-focused, family resource and support program; and

''(5) financing public information activities that focus on the healthy and positive development of parents and children and the promotion of child abuse and neglect prevention activities.

**''SEC. 202. ELIGIBILITY.**

''A State shall be eligible for a grant under this title for a fiscal year if—

''(1)(A) the chief executive officer of the State has designated an entity to administer funds under this title for the purposes identified under the authority of this title, including to develop, implement, operate, enhance or expand a Statewide network of community-based, prevention-focused, family resource and support programs, child abuse and neglect prevention activities and access to respite services integrated with the Statewide network;

''(B) in determining which entity to designate under subparagraph (A), the chief executive officer should give priority consideration to the trust fund advisory board of the State or an existing entity that leverages Federal, State, and private funds for a broad range of child abuse and neglect prevention activities and family resource programs, and that is directed by an interdisciplinary, public-private structure, including participants from communities; and

''(C) such lead entity is an existing public, quasi-public, or nonprofit private entity with a demonstrated ability to work with other State and community-based agencies to provide training and technical assistance, and that has the capacity and commitment to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

''(2) the chief executive officer of the State provides assurances that the lead entity will provide or will be responsible for providing—

''(A) a network of community-based family resource and support programs composed of local, collaborative, public-private partnerships directed by interdisciplinary structures with balanced representation from private and public sector members, parents, and public and private nonprofit service providers and individuals and organizations experienced in working in partnership with families with children with disabilities;

''(B) direction to the network through an interdisciplinary, collaborative, public-private structure with balanced representation from private and public sector members, parents, and public sector and private nonprofit sector service providers; and

''(C) direction and oversight to the network through identified goals and objectives, clear lines of communication and accountability, the provision of leveraged or combined funding from Federal, State and private sources, centralized assessment and planning activities, the provision of training and technical assistance, and reporting and evaluation functions; and

''(3) the chief executive officer of the State provides assurances that the lead entity—

''(A) has a demonstrated commitment to parental participation in the development, operation, and oversight of the Statewide network of community-based, prevention-focused, family resource and support programs;

''(B) has a demonstrated ability to work with State and community-based public and private nonprofit organizations to develop a continuum of preventive, family centered, holistic services for children and families through the Statewide network of community-based, prevention-focused, family resource and support programs;

''(C) has the capacity to provide operational support (both financial and programmatic) and training and technical assistance, to the Statewide network of community-based, prevention-focused, family resource and support programs, through innovative, interagency funding and interdisciplinary service delivery mechanisms; and

''(D) will integrate its efforts with individuals and organizations experienced in working in partnership with families with children with disabilities and with the child abuse and neglect prevention activities of the State, and demonstrate a financial commitment to those activities.

**''SEC. 203. AMOUNT OF GRANT.**

''(a) RESERVATION.—The Secretary shall reserve 1 percent of the amount appropriated under section 210 for a fiscal year to make allotments to Indian tribes and tribal organizations and migrant programs.

''(b) IN GENERAL.—Of the amounts appropriated for a fiscal year under section 210 and remaining after the reservation under subsection (a), The Secretary shall allot to each State lead entity an amount so that—

''(1) 50 percent of the total amount allotted to the State under this section is based on the number of children under 18 residing in the State as compared to the number of such children residing in all States, except that no State shall receive less than $250,000; and

''(2) each State receives, from the amounts remaining from the total amount appropriated, an amount equal to 50 percent of the amount that each such State has directed through the lead agency to the purposes identified under the authority of this title, including foundation, corporate, and other private funding, State revenues, and Federal funds.

''(c) ALLOCATION.—Funds allotted to a State under this section shall be awarded on a formula basis for a 3-year period. Payment under such allotments shall be made by the Secretary annually on the basis described in subsection (a).

**''SEC. 204. EXISTING AND CONTINUATION GRANTS.**

''(a) EXISTING GRANTS.—Notwithstanding the enactment of this title, a State or entity that has a grant, contract, or cooperative agreement in effect, on the date of enactment of this title, under the Family Resource and Support Program, the Community-Based Family Resource Program, the Family Support Center Program, the Emergency Child Abuse Prevention Grant Program, or the Temporary Child Care for Children with Disabilities and Crisis Nurseries Programs shall continue to receive funds under such programs, subject to the original terms under which such funds were granted, through the end of the applicable grant cycle.

''(b) CONTINUATION GRANTS.—The Secretary may continue grants for Family Resource and Support Program grantees, and those programs otherwise funded under this Act, on a noncompetitive basis, subject to the availability of appropriations, satisfactory performance by the grantee, and receipt of reports required under this Act, until such time as the grantee no longer meets the original purposes of this Act.

**''SEC. 205. APPLICATION.**

''(a) IN GENERAL.—A grant may not be made to a State under this title unless an application therefore is submitted by the State to the Secretary and such application contains the types of information specified by the Secretary as essential to carrying out the provisions of section 202, including—

''(1) a description of the lead entity that will be responsible for the administration of funds provided under this title and the oversight of programs funded through the Statewide network of community-based, prevention-focused, family resource and support programs which meets the requirements of section 202;

''(2) a description of how the network of community-based, prevention-focused, family resource and support programs will operate and how family resource and support services provided by public and private, nonprofit organizations, including those funded by programs consolidated under this Act, will be integrated into a developing continuum of family centered, holistic, preventive services for children and families;

''(3) an assurance that an inventory of current family resource programs, respite, child abuse and neglect prevention activities, and other family resource services operating in the State, and a description of current unmet needs, will be provided;

''(4) a budget for the development, operation and expansion of the State's network of community-based, prevention-focused, family resource and support programs that verifies that the State will expend an amount equal to not less than 20 percent of the amount received under this title (in cash, not in-kind) for activities under this title;

''(5) an assurance that funds received under this title will supplement, not supplant, other State and local public funds designated for the Statewide network of community-based, prevention-focused, family resource and support programs;

''(6) an assurance that the State network of community-based, prevention-focused, family resource and support programs will maintain cultural diversity, and be culturally competent and socially sensitive and responsive to the needs of families with children with disabilities;

''(7) an assurance that the State has the capacity to ensure the meaningful involvement of parents who are consumers and who can provide leadership in the planning, implementation, and evaluation of the programs and policy decisions of the applicant agency in accomplishing the desired outcomes for such efforts;

''(8) a description of the criteria that the entity will use to develop, or select and fund, individual community-based, prevention-focused, family resource and support programs as part of network development, expansion or enhancement;

''(9) a description of outreach activities that the entity and the community-based, prevention-focused, family resource and support programs will undertake to maximize the participation of racial and ethnic minorities, new immigrant populations, children and adults with disabilities, homeless families and those at risk of homelessness, and members of other underserved or underrepresented groups;

''(10) a plan for providing operational support, training and technical assistance to community-based, prevention-focused, family resource and support programs for development,

*operation, expansion and enhancement activities;*

*''(11) a description of how the applicant entity's activities and those of the network and its members will be evaluated;*

*''(12) a description of that actions that the applicant entity will take to advocate changes in State policies, practices, procedures and regulations to improve the delivery of prevention-focused, family resource and support program services to all children and families; and*

*''(13) an assurance that the applicant entity will provide the Secretary with reports at such time and containing such information as the Secretary may require.*

***''SEC. 206. LOCAL PROGRAM REQUIREMENTS.***

*''(a) IN GENERAL.—Grants made under this title shall be used to develop, implement, operate, expand and enhance community-based, prevention-focused, family resource and support programs that—*

*''(1) assess community assets and needs through a planning process that involves parents and local public agencies, local nonprofit organizations, and private sector representatives;*

*''(2) develop a strategy to provide, over time, a continuum of preventive, holistic, family centered services to children and families, especially to young parents and parents with young children, through public-private partnerships;*

*''(3) provide—*

*''(A) core family resource and support services such as—*

*''(i) parent education, mutual support and self help, and leadership services;*

*''(ii) early developmental screening of children;*

*''(iii) outreach services;*

*''(iv) community and social service referrals; and*

*''(v) follow-up services;*

*''(B) other core services, which must be provided or arranged for through contracts or agreements with other local agencies, including all forms of respite services to the extent practicable; and*

*''(C) access to optional services, including—*

*''(i) child care, early childhood development and intervention services;*

*''(ii) services and supports to meet the additional needs of families with children with disabilities;*

*''(iii) job readiness services;*

*''(iv) educational services, such as scholastic tutoring, literacy training, and General Educational Degree services;*

*''(v) self-sufficiency and life management skills training;*

*''(vi) community referral services; and*

*''(vii) peer counseling;*

*''(4) develop leadership roles for the meaningful involvement of parents in the development, operation, evaluation, and oversight of the programs and services;*

*''(5) provide leadership in mobilizing local public and private resources to support the provision of needed family resource and support program services; and*

*''(6) participate with other community-based, prevention-focused, family resource and support program grantees in the development, operation and expansion of the Statewide network.*

*''(b) PRIORITY.—In awarding local grants under this title, a lead entity shall give priority to community-based programs serving low income communities and those serving young parents or parents with young children, and to community-based family resource and support programs previously funded under the programs consolidated under the Child Abuse Prevention and Treatment Act Amendments of 1995, so long as such programs meet local program requirements.*

***''SEC. 207. PERFORMANCE MEASURES.***

*''A State receiving a grant under this title, through reports provided to the Secretary, shall—*

*''(1) demonstrate the effective development, operation and expansion of a Statewide network of community-based, prevention-focused, family resource and support programs that meets the requirements of this title;*

*''(2) supply an inventory and description of the services provided to families by local programs that meet identified community needs, including core and optional services as described in section 202;*

*''(3) demonstrate the establishment of new respite and other specific new family resources services, and the expansion of existing services, to address unmet needs identified by the inventory and description of current services required under section 205(a)(3);*

*''(4) describe the number of families served, including families with children with disabilities, and the involvement of a diverse representation of families in the design, operation, and evaluation of the Statewide network of community-based, prevention-focused, family resource and support programs, and in the design, operation and evaluation of the individual community-based family resource and support programs that are part of the Statewide network funded under this title;*

*''(5) demonstrate a high level of satisfaction among families who have used the services of the community-based, prevention-focused, family resource and support programs;*

*''(6) demonstrate the establishment or maintenance of innovative funding mechanisms, at the State or community level, that blend Federal, State, local and private funds, and innovative, interdisciplinary service delivery mechanisms, for the development, operation, expansion and enhancement of the Statewide network of community-based, prevention-focused, family resource and support programs;*

*''(7) describe the results of a peer review process conducted under the State program; and*

*''(8) demonstrate an implementation plan to ensure the continued leadership of parents in the on-going planning, implementation, and evaluation of such community based, prevention-focused, family resource and support programs.*

***''SEC. 208. NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.***

*''The Secretary may allocate such sums as may be necessary from the amount provided under the State allotment to support the activities of the lead entity in the State—*

*''(1) to create, operate and maintain a peer review process;*

*''(2) to create, operate and maintain an information clearinghouse;*

*''(3) to fund a yearly symposium on State system change efforts that result from the operation of the Statewide networks of community-based, prevention-focused, family resource and support programs;*

*''(4) to create, operate and maintain a computerized communication system between lead entities; and*

*''(5) to fund State-to-State technical assistance through bi-annual conferences.*

***''SEC. 209. DEFINITIONS.***

*''For purposes of this title:*

*''(1) CHILDREN WITH DISABILITIES.—The term 'children with disabilities' has the same meaning given such term in section 602(a)(2) of the Individuals with Disabilities Education Act.*

*''(2) COMMUNITY REFERRAL SERVICES.—The term 'community referral services' means services provided under contract or through interagency agreements to assist families in obtaining needed information, mutual support and community resources, including respite services, health and mental health services, employability development and job training, and other social services through help lines or other methods.*

*''(3) CULTURALLY COMPETENT.—The term 'culturally competent' means services, support, or other assistance that is conducted or provided in a manner that—*

*''(A) is responsive to the beliefs, interpersonal styles, attitudes, languages, and behaviors of those individuals and families receiving services; and*

*''(B) has the greatest likelihood of ensuring maximum participation of such individuals and families.*

*''(4) FAMILY RESOURCE AND SUPPORT PROGRAM.—The term 'family resource and support program' means a community-based, prevention-focused entity that—*

*''(A) provides, through direct service, the core services required under this title, including—*

*''(i) parent education, support and leadership services, together with services characterized by relationships between parents and professionals that are based on equality and respect, and designed to assist parents in acquiring parenting skills, learning about child development, and responding appropriately to the behavior of their children;*

*''(ii) services to facilitate the ability of parents to serve as resources to one another other (such as through mutual support and parent self-help groups);*

*''(iii) early developmental screening of children to assess any needs of children, and to identify types of support that may be provided;*

*''(iv) outreach services provided through voluntary home visits and other methods to assist parents in becoming aware of and able to participate in family resources and support program activities;*

*''(v) community and social services to assist families in obtaining community resources; and*

*''(vi) follow-up services;*

*''(B) provides, or arranges for the provision of, other core services through contracts or agreements with other local agencies, including all forms of respite services; and*

*''(C) provides access to optional services, directly or by contract, purchase of service, or interagency agreement, including—*

*''(i) child care, early childhood development and early intervention services;*

*''(ii) self-sufficiency and life management skills training;*

*''(iii) education services, such as scholastic tutoring, literacy training, and General Educational Degree services;*

*''(iv) job readiness skills;*

*''(v) child abuse and neglect prevention activities;*

*''(vi) services that families with children with disabilities or special needs may require;*

*''(vii) community and social service referral;*

*''(viii) peer counseling;*

*''(ix) referral for substance abuse counseling and treatment; and*

*''(x) help line services.*

*''(5) NATIONAL NETWORK FOR COMMUNITY-BASED FAMILY RESOURCE PROGRAMS.—The term 'network for community-based family resource program' means the organization of State designated entities who receive grants under this title, and includes the entire membership of the Children's Trust Fund Alliance and the National Respite Network.*

*''(6) OUTREACH SERVICES.—The term 'outreach services' means services provided to assist consumers, through voluntary home visits or other methods, in accessing and participating in family resource and support program activities.*

*''(7) RESPITE SERVICES.—The term 'respite services' means short term care services provided in the temporary absence of the regular caregiver (parent, other relative, foster parent, adoptive parent, or guardian) to children who—*

*''(A) are in danger of abuse or neglect;*

*''(B) have experienced abuse or neglect; or*

*''(C) have disabilities, chronic, or terminal illnesses.*

*Such services shall be provided within or outside the home of the child, be short-term care (ranging from a few hours to a few weeks of time, per year), and be intended to enable the family to stay together and to keep the child living in the home and community of the child.*

***"SEC. 210. AUTHORIZATION OF APPROPRIATIONS.***

*''There are authorized to be appropriated to carry out this title, $108,000,000 for each of the fiscal years 1996 through 2000.''.*

***SEC. 202. REPEALS.***

*(a) TEMPORARY CHILD CARE FOR CHILDREN WITH DISABILITIES AND CRISIS NURSERIES ACT.—The Temporary Child Care for Children with Disabilities and Crisis Nurseries Act of 1986 (42 U.S.C. 5117 et seq.) is repealed.*

*(b) FAMILY SUPPORT CENTERS.—Subtitle F of title VII of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11481 et seq.) is repealed.*

***TITLE III—FAMILY VIOLENCE PREVENTION AND SERVICES***

***SEC. 301. REFERENCE.***

*Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Family Violence Prevention and Services Act (42 U.S.C. 10401 et seq.).*

***SEC. 302. STATE DEMONSTRATION GRANTS.***

*Section 303(e) (42 U.S.C. 10420(e)) is amended—*

*(1) by striking ''following local share'' and inserting ''following non-Federal matching local share''; and*

*(2) by striking ''20 percent'' and all that follows through ''private sources.'' and inserting ''with respect to an entity operating an existing program under this title, not less than 20 percent, and with respect to an entity intending to operate a new program under this title, not less than 35 percent.''.*

***SEC. 303. ALLOTMENTS.***

*Section 304(a)(1) (42 U.S.C. 10403(a)(1)) is amended by striking ''$200,000'' and inserting ''$400,000''.*

***SEC. 304. AUTHORIZATION OF APPROPRIATIONS.***

*Section 310 (42 U.S.C. 10409) is amended—*

*(1) in subsection (b), by striking ''80'' and inserting ''70''; and*

*(2) by adding at the end thereof the following new subsections:*

*''(d) GRANTS FOR STATE COALITIONS.—Of the amounts appropriated under subsection (a) for each fiscal year, not less than 10 percent of such amounts shall be used by the Secretary for making grants under section 311.*

*''(e) NON-SUPPLANTING REQUIREMENT.—Federal funds made available to a State under this title shall be used to supplement and not supplant other Federal, State, and local public funds expended to provide services and activities that promote the purposes of this title.''.*

***TITLE IV—ADOPTION OPPORTUNITIES***

***SEC. 401. REFERENCE.***

*Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Child Abuse Prevention and Treatment and Adoption Reform Act of 1978 (42 U.S.C. 5111 et seq.).*

***SEC. 402. FINDINGS AND PURPOSE.***

*Section 201 (42 U.S.C. 5111) is amended—*

*(1) in subsection (a)—*

*(A) in paragraph (1)—*

*(i) by striking ''50 percent between 1985 and 1990'' and inserting ''61 percent between 1986 and 1994''; and*

*(ii) by striking ''400,000 children at the end of June, 1990'' and inserting ''452,000 as of June, 1994''; and*

*(B) in paragraph (5), by striking ''local'' and inserting ''legal''; and*

*(C) in paragraph (7), to read as follows:*

*''(7)(A) currently, 40,000 children are free for adoption and awaiting placement;*

*''(B) such children are typically school aged, in sibling groups, have experienced neglect or abuse, or have a physical, mental, or emotional disability; and*

*''(C) while the children are of all races, children of color and older children (over the age of 10) are over represented in such group;''; and*

*(2) in subsection (b)—*

*(A) by striking ''conditions, by—'' and all that follows through ''providing a mechanism'' and inserting ''conditions, by providing a mechanism''; and*

*(B) by redesignating subparagraphs (A) through (C), as paragraphs (1) through (3), respectively and by realigning the margins of such paragraphs accordingly.*

***SEC. 403. INFORMATION AND SERVICES.***

*Section 203 (42 U.S.C. 5113) is amended—*

*(1) in subsection (a), by striking the last sentence;*

*(2) in subsection (b)—*

*(A) in paragraph (6), to read as follows:*

*''(6) study the nature, scope, and effects of the placement of children in kinship care arrangements, pre-adoptive, or adoptive homes;'';*

*(B) by redesignating paragraphs (7) through (9) as paragraphs (8) through (10), respectively; and*

*(C) by inserting after paragraph (6), the following new paragraph:*

*''(7) study the efficacy of States contracting with public or private nonprofit agencies (including community-based and other organizations), or sectarian institutions for the recruitment of potential adoptive and foster families and to provide assistance in the placement of children for adoption;''; and*

*(3) in subsection (d)—*

*(A) in paragraph (2)—*

*(i) by striking ''Each'' and inserting ''(A) Each'';*

*(ii) by striking ''for each fiscal year'' and inserting ''that describes the manner in which the State will use funds during the 3-fiscal years subsequent to the date of the application to accomplish the purposes of this section. Such application shall be''; and*

*(iii) by adding at the end thereof the following new subparagraph:*

*''(B) The Secretary shall provide, directly or by grant to or contract with public or private nonprofit agencies or organizations—*

*''(i) technical assistance and resource and referral information to assist State or local governments with termination of parental rights issues, in recruiting and retaining adoptive families, in the successful placement of children with special needs, and in the provision of pre- and post-placement services, including post-legal adoption services; and*

*''(ii) other assistance to help State and local governments replicate successful adoption-related projects from other areas in the United States.''.*

***SEC. 404. AUTHORIZATION OF APPROPRIATIONS.***

*Section 205 (42 U.S.C. 5115) is amended—*

*(1) in subsection (a), by striking ''$10,000,000,'' and all that follows through ''203(c)(1)'' and inserting ''$20,000,000 for fiscal year 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000 to carry out programs and activities authorized'';*

*(2) by striking subsection (b); and*

*(3) by redesignating subsection (c) as subsection (b).*

***TITLE V—ABANDONED INFANTS ASSISTANCE ACT OF 1986***

***SEC. 501. REAUTHORIZATION.***

*Section 104(a)(1) of the Abandoned Infants Assistance Act of 1988 (42 U.S.C. 670 note) is amended by striking ''$20,000,000'' and all that follows through the end thereof and inserting ''$35,000,000 for each of the fiscal years 1995 and 1996, and such sums as may be necessary for each of the fiscal years 1997 through 2000''.*

***TITLE VI—REAUTHORIZATION OF VARIOUS PROGRAMS***

***SEC. 601. MISSING CHILDREN'S ASSISTANCE ACT.***

*Section 408 of the Missing Children's Assistance Act (42 U.S.C. 5777) is amended—*

*(1) by striking ''To'' and inserting ''(a) IN GENERAL.—''*

*(2) by striking ''and 1996'' and inserting ''1996, and 1997''; and*

*(3) by adding at the end thereof the following new subsection:*

*''(b) EVALUATION.—The Administrator shall use not more than 5 percent of the amount appropriated for a fiscal year under subsection (a) to conduct an evaluation of the effectiveness of the programs and activities established and operated under this title.''.*

***SEC. 602. VICTIMS OF CHILD ABUSE ACT OF 1990.***

*Section 214B of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—*

*(1) in subsection (a)(2), by striking ''and 1996'' and inserting ''1996, and 1997''; and*

*(2) in subsection (b)(2), by striking ''and 1996'' and inserting ''1996, through 2000''.*

AMENDMENT NO. 4926

Mr. ROTH. Mr. President, I understand there is an amendment at the desk offered by Senator COATS.

I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Delaware [Mr. ROTH], for Mr. COATS, proposes an amendment numbered 4926.

Beginning on page 83, strike line 6 and all that follows through line 10 on page 86, and insert the following:

''(b) ELIGIBILITY REQUIREMENTS.—

''(1) IN GENERAL.—In order for a State to qualify for a grant under subsection (a), such State shall provide an assurance or certification, signed by the chief executive officer of the State, that the State—

''(A) has in effect and operation a State law or Statewide program relating to child abuse and neglect which ensures—

''(i) provisions or procedures for the reporting of known and suspected instances of child abuse and neglect;

''(ii) procedures for the immediate screening, safety assessment, and prompt investigation of such reports;

''(iii) procedures for immediate steps to be taken to ensure and protect the safety of the abused or neglected child and of any other child under the same care who may also be in danger of abuse or neglect;

''(iv) provisions for immunity from prosecution under State and local laws and regulations for individuals making good faith reports of suspected or known instances of child abuse or neglect;

''(v) methods to preserve the confidentiality of all records in order to protect the rights of the child and of the child's parents or guardians, including requirements ensuring that reports and records made and maintained pursuant to the purposes of this Act shall only be made available to—

''(I) individuals who are the subject of the report;

''(II) Federal, State, or local government entities, or any agent of such entities, having a need for such information in order to carry out its responsibilities under law to protect children from abuse and neglect;

''(III) child abuse citizen review panels;

''(IV) child fatality review panels;

''(V) a grant jury or court, upon a finding that information in the record is necessary for the determination of an issue before the court or grant jury; and

''(VI) other entities or classes of individuals statutorily authorized by the State to receive such information pursuant to a legitimate State purpose;

''(vi) provisions which allow for public disclosure of the findings or information about

the case of child abuse or neglect which has resulted in a child fatality or near fatality;

''(vii) the cooperation of State law enforcement officials, court of competent jurisdiction, and appropriate State agencies providing human services;

''(viii) provisions requiring, and procedures in place that facilitate the prompt expungement of any records that are accessible to the general public or are used for purposes of employment or other background checks in cases determined to be unsubstantiated or false, except that nothing in this section shall prevent State child protective service agencies from keeping information on unsubstantiated reports in their casework files to assist in future risk and safety assessment; and

''(ix) provisions and procedures requiring that in every case involving an abused or neglected child which results in a judicial proceeding, a guardian ad litem shall be appointed to represent the child in such proceedings; and

''(B) has in place procedures for responding to the reporting of medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions), procedures or programs, or both (within the State child protective services system), to provide for—

''(i) coordination and consultation with individuals designated by and within appropriate health-care facilities;

''(ii) prompt notification by individuals designated by and within appropriate health-care facilities of cases of suspected medical neglect (including instances of withholding of medically indicated treatment from disabled infants with life-threatening conditions); and

''(iii) authority, under State law, for the State child protective service system to pursue any legal remedies, including the authority to initiate legal proceedings in a court of competent jurisdiction, as may be necessary to prevent the withholding of medically indicated treatment from disabled infants with life threatening conditions.

''(2) LIMITATION.—With regard to clauses (v) and (vi) of paragraph (1)(A), nothing in this section shall be construed as restricting the ability of a State to refuse to disclose identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect, except that the State may not refuse such a disclosure where a court orders such disclosure after such court has reviewed, in camera, the record of the State related to the report or complaint and has found it has reason to believe that the reporter knowingly made a false report.

''(3) DEFINITION.—For purposes of this subsection, the term 'near fatality' means an act that, as certified by a physician, places the child in serious or critical condition.

On page 91, strike lines 1 and 2, and insert the following: '', serious physical or emotional harm, sexual abuse or exploitation, or an act of failure to act which presents an imminent risk of serious harm;'.''.

On page 91, strike lines 9 through 11, and insert the following: ''$100,000,000 for fiscal year 1997, and such sums as may be necessary for each of the fiscal years 1998 through 2001.''.

On page 92, line 23, strike ''Case'' and insert ''Except with respect to the withholding of medically indicated treatments from disabled infants with life threatening conditions, case''.

On page 114, lines 19 and 20, strike ''1996 through 2000'' and insert ''1997 through 2001''.

On page 120, line 10, strike''2000'' and insert ''2001''.

On page 120, line 22, strike ''and 1996'' and insert ''through 1997''.

On page 120, line 23, strike ''1997 through 2000'' and insert ''1998 through 2001''.

On page 121, lines 8 and 9, strike ''1996, and 1997'' and insert ''1996, and 1997 through 2001''.

On page 121, line 23, strike ''2000'' and insert ''2001''.

Mr. COATS. Mr. President, child abuse is a critical issue facing our Nation. Each year, close to 1 million children are abused or neglected and as a result, in need of assistance and out of home care. CAPTA is a small but vital link in the provision of these services.

S. 919, which was unanimously reported by the Senate Labor Committee nearly 1-year ago, streamlines State plan and reporting requirements; eliminates unnecessary research and technical assistance activities; and encourages local innovation through a restructured demonstration program.

Additionally, we have consolidated the Child Abuse Community Based Prevention Grants, Family Resource Centers, Family Support Centers into the Community and Family Resource and Support Grants.

Finally, S. 919 repeals the Temporary Child Care for Children with Disabilities and Crisis Nurseries Act, Title VII (F) of the McKinney Homeless Assistance Act, and the Emergency Child Abuse Prevention Grants.

Mr. President, each day, hundreds of children and families come into contact with, and are affected by, our nation's child protective system. For many, it is a frightening experience. For others—for those on the front lines, it is sometimes an opportunity to rescue children from horrific circumstances.

Unfortunately, the issues facing this overburdened system are seldom easily resolved. Too often—overworked, under paid, untrained, and sometimes overzealous caseworkers have a tremendous and devastating impact on families.

Decisions are routinely made to remove children and place them in foster care—into situations that are sometimes more dangerous than the one they were removed from. Other times, because of mounting paperwork and case files, a serious case goes uninvestigated—or a decision to return a child to an unsafe home is made because there are no more out of home placements available. These are all difficult circumstances that require balance, training, and resources.

Since 1974, CAPTA, through a relatively small program, has assisted states in meeting child protection needs. It is a small, but important program, because it mandates have radically changed how we view child protection.

Unfortunately, not all of these changes have been helpful. CAPTA has, until now, been viewed as a very prescriptive program, with States judged, not on how well they protect children, but on how close they come to mirroring Federal requirements.

The 1995 CAPTA Amendments are an important first step toward addressing some of the problems in CAPTA while at the same time, building upon its strengths. Most experts agree that what CAPTA can do, and do best, is provide guidance to states; assist States with training and technical assistance; and promote better research and dissemination of information while allowing for maximum flexibility in approach and response. With that in mind, S. 919:

Eliminates unnecessary bureaucracy by repealing mandates for a National Center on Child Abuse and Neglect, the U.S. Advisory Board, and the Interagency Task force on Child Abuse. Instead, the Secretary may use discretion in deciding whether or not they are an essential function.

Restructures and consolidates various research functions into one coordinated effort.

Places a significant emphasis on local experimentation by expanding Demonstration Grants to encourage local innovation and experimentation. One of these areas involves a triage system approach which we heard very exciting reports about during a Subcommittee on Children and Families hearing. Others include training for mandatory reporters, families, service providers, and communities and a demonstration program for kinship care as an alternative to foster care placements.

Reforms the Basic State Grant by allowing greater flexibility to the States in determining the circumstances and intensity of intervention that is required, while encouraging them to look to other preventative services that can be provided to families, where intensive intervention is not called for.

Determining the appropriate level of intervention is a very important consideration. We have studied closely the numbers of abuse and neglect reports that have been filed. Of the close to 3 million reports that have been filed, only one-third are eventually substantiated. This means that over 2 million are either unsubstantiated or false. And while I know that these numbers and their interpretation are the source of some disagreement, the fact remains that for whatever reason, over 2 million investigations at some level, are occurring, and possibly resulting in inappropriate interventions—including removal of the child from the home.

Members of the Labor Committee may recall the testimony of Jim Wade who spoke of his three year ordeal, in which his daughter was wrongfully removed from his home. I have received many such reports and complaints, and while we should be mindful not to legislate by anecdote, these stories involve real people and are chilling.

With the State grant, we have worked to find ways to improve reporting so that caseworkers are able to assess and effectively respond to cases of abuse and neglect with an appropriate response. S. 919 stresses the importance of case workers using risk assessment procedures to ensure that priority attention is given to those children who

are at great risk of harm. I think particularly of the tragic case of Elisa Izquierdo of Brooklyn, the 6 year-old girl brutally murdered by her mother on the day before Thanksgiving this past year. Elisa was well known to the overburdened case workers who were assigned to monitor her, however it appears that they simply didn't have enough time to keep a close watch on Elisa, nor maybe enough training to realize the tremendous seriousness of her situation. S. 919's focus on better training and the use of risk assessment procedures should help to improve the safety of children.

We have also ensured that persons who maliciously file reports of abuse or neglect will not longer be protected by CAPTA's immunity for reporting. Only good faith reports will be protected.

Finally, we have clarified the definition of child abuse or neglect to provide additional guidance and clarification to states as they endeavor to protect children from abuse and neglect.

Let me briefly mention the other programs authorized in the 1995 CAPTA Amendments: the Community and Family Resource Grants is the result of nearly a full year's effort to consolidate the Community Based Prevention Grant, Respite Care Program, and Family Resource Programs; the Family Violence Prevention and Services Act which provides assistance to States primarily for shelters; the Adoption Opportunities Act which supports aggressive efforts to strengthen the capacity of States to find permanent homes for children with special needs; the Abandoned Infants Assistance Act which provides for the needs of children who are abandoned, especially those with AIDS; the Children's Justice Act; and the Missing Children's Assistance Act and Section 214 of the Victims of Child Abuse Act.

Mr. President, I would like to thank the Members for their attention. These are important programs and they will affect many children and families. I urge the adoption of the 1995 CAPTA Amendments.

Mr. ROTH. Mr. President, I ask unanimous consent that the amendment be considered as read, and agreed to, the committee amendment be agreed to, the bill be deemed read a third time, passed, as amended, the motion to reconsider be laid upon the table, and that any statements relating to the bill be placed at the appropriate place in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 4926) was agreed to.

The bill (S. 919), as amended, was deemed read a third time, and passed.

(The text of the bill will be printed in a future Edition of the RECORD.)

## SAFE DRINKING WATER ACT AMENDMENTS OF 1996

Mr. ROTH. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S 1316, a bill to reauthorize and amend title XIV of the Public Health Service Act, commonly known as the Safe Drinking Water Act, and for other purposes.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

*Resolved,* That the bill from the Senate (S. 1316) entitled ''An Act to reauthorize and amend title XIV of the Public Health Service Act (commonly known as the ''Safe Drinking Water Act''), and for other purposes'', do pass with the following amendment:

Strike out all after the enacting clause, and insert:

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

*(a) SHORT TITLE.—This Act may be cited as the ''Safe Drinking Water Act Amendments of 1996''.*

*(b) TABLE OF CONTENTS.—*


*Sec. 1. Short title and table of contents.*
*Sec. 2. References; effective date; disclaimer.*

*TITLE I—PUBLIC WATER SYSTEMS*

*Subtitle A—Promulgation of National Primary Drinking Water Regulations*

*Sec. 101. Selection of additional contaminants.*
*Sec. 102. Disinfectants and disinfection byproducts.*
*Sec. 103. Limited alternative to filtration.*
*Sec. 104. Standard-setting.*
*Sec. 105. Ground water disinfection.*
*Sec. 106. Effective date for regulations.*
*Sec. 107. Risk assessment, management, and communication.*
*Sec. 108. Radon, arsenic, and sulfate.*
*Sec. 109. Urgent threats to public health.*
*Sec. 110. Recycling of filter backwash.*
*Sec. 111. Treatment technologies for small systems.*

*Subtitle B—State Primary Enforcement Responsibility for Public Water Systems*

*Sec. 121. State primacy.*

*Subtitle C—Notification and Enforcement*

*Sec. 131. Public notification.*
*Sec. 132. Enforcement.*
*Sec. 133. Judicial review*

*Subtitle D—Exemptions and Variances*

*Sec. 141. Exemptions.*
*Sec. 142. Variances.*

*Subtitle E—Lead Plumbing and Pipes*

*Sec. 151. Lead plumbing and pipes.*

*Subtitle F—Capacity Development*

*Sec. 161. Capacity development.*

*TITLE II—AMENDMENTS TO PART C*

*Sec. 201. Source water quality assessment.*
*Sec. 202. Federal facilities.*

*TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT*

*Sec. 301. Operator certification.*
*Sec. 302. Technical assistance.*
*Sec. 303. Public water system supervision program.*
*Sec. 304. Monitoring and information gathering.*
*Sec. 305. Occurrence data base.*
*Sec. 306. Citizens suits.*
*Sec. 307. Whistle blower.*
*Sec. 308. State revolving funds.*
*Sec. 309. Water conservation plan.*

*TITLE IV—MISCELLANEOUS*

*Sec. 401. Definitions.*
*Sec. 402. Authorization of appropriations.*
*Sec. 403. New York City watershed protection program.*
*Sec. 404. Estrogenic substances screening program.*
*Sec. 405. Reports on programs administered directly by Environmental Protection Agency.*
*Sec. 406. Return flows.*
*Sec. 407. Emergency powers.*
*Sec. 408. Waterborne disease occurrence study.*
*Sec. 409. Drinking water studies.*
*Sec. 410. Bottled drinking water standards.*
*Sec. 411. Clerical amendments.*

*TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS*

*Sec. 501. General program.*
*Sec. 502. New York City Watershed, New York.*
*Sec. 503. Rural and Native villages, Alaska.*
*Sec. 504. Acquisition of lands.*
*Sec. 505. Federal share.*
*Sec. 506. Condition on authorizations of appropriations.*
*Sec. 507. Definitions.*

*TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION*

*Sec. 601. Drinking water research authorization.*
*Sec. 602. Scientific research review.*


***SEC. 2. REFERENCES; EFFECTIVE DATE; DISCLAIMER.***

*(a) REFERENCES TO SAFE DRINKING WATER ACT.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to that section or other provision of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act, 42 U.S.C. 300f et seq.).*

*(b) EFFECTIVE DATE.—Except as otherwise specified in this Act or in the amendments made by this Act, this Act and the amendments made by this Act shall take effect on the date of enactment of this Act.*

*(c) DISCLAIMER.—Nothing in this Act or in any amendments made by this Act to title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) or any other law shall be construed by the Administrator of the Environmental Protection Agency or the courts as affecting, modifying, expanding, changing, or altering—*

*(1) the provisions of the Federal Water Pollution Control Act;*

*(2) the duties and responsibilities of the Administrator under that Act; or*

*(3) the regulation or control of point or nonpoint sources of pollution discharged into waters covered by that Act.*

*The Administrator shall identify in the agency's annual budget all funding and full-time equivalents administering such title XIV separately from funding and staffing for the Federal Water Pollution Control Act.*

***TITLE I—PUBLIC WATER SYSTEMS***

***Subtitle A—Promulgation of National Primary Drinking Water Regulations***

***SEC. 101. SELECTION OF ADDITIONAL CONTAMINANTS.***

*(a) IN GENERAL.—Section 1412(b)(3) (42 U.S.C. 300g–1(b)(3)) is amended to read as follows:*

*''(3) REGULATION OF UNREGULATED CONTAMINANTS.—*

*''(A) LISTING OF CONTAMINANTS FOR CONSIDERATION.—(i) Not later than 18 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 5 years thereafter, the Administrator, after consultation with the scientific community, including the Science Advisory Board, after notice and opportunity for public comment, and after considering the occurrence data base established under section 1445(g), shall publish a list of contaminants which, at the time of publication, are not subject to any proposed or promulgated national primary drinking water regulation, which are known or anticipated to occur in public water systems, and which may require regulation under this title.*

*''(ii) The unregulated contaminants considered under clause (i) shall include, but not be*

*limited to, substances referred to in section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and substances registered as pesticides under the Federal Insecticide, Fungicide, and Rodenticide Act.*

*''(iii) The Administrator's decision whether or not to select an unregulated contaminant for a list under this subparagraph shall not be subject to judicial review.*

*''(B) DETERMINATION TO REGULATE.—(i) Not later than 5 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, and every 5 years thereafter, the Administrator shall, by rule, for not fewer than 5 contaminants included on the list published under subparagraph (A), make determinations of whether or not to regulate such contaminants.*

*''(ii) A determination to regulate a contaminant shall be based on findings that—*

*''(I) the contaminant is known to occur or there is a substantial likelihood that the contaminant will occur in public water systems with a frequency and at a level of public health concern; and*

*''(II) regulation of such contaminant presents a meaningful opportunity for public health risk reduction for persons served by public water systems.*

*Such findings shall be based on the best available public health information, including the occurrence data base established under section 1445(g).*

*''(iii) The Administrator may make a determination to regulate a contaminant that does not appear on a list under subparagraph (A) if the determination to regulate is made pursuant to clause (ii).*

*''(iv) A determination under this subparagraph not to regulate a contaminant shall be considered final agency action and subject to judicial review.*

*''(C) PRIORITIES.—In selecting unregulated contaminants for consideration under subparagraph (B), the Administrator shall select contaminants that present the greatest public health concern. The Administrator, in making such selection, shall take into consideration, among other factors of public health concern, the effect of such contaminants upon subgroups that comprise a meaningful portion of the general population (such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations) that are identifiable as being at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.*

*''(D) REGULATION.—For each contaminant that the Administrator determines to regulate under subparagraph (B), the Administrator shall promulgate, by rule, maximum contaminant level goals and national primary drinking water regulations under this subsection. The Administrator shall propose the maximum contaminant level goal and national primary drinking water regulation not later than 24 months after the determination to regulate under subparagraph (B), and may publish such proposed regulation concurrent with the determination to regulate. The Administrator shall promulgate a maximum contaminant level goal and national primary drinking water regulation within 18 months after the proposal thereof. The Administrator, by notice in the Federal Register, may extend the deadline for such promulgation for up to 9 months.*

*''(E) HEALTH ADVISORIES AND OTHER ACTIONS.—The Administrator may publish health advisories (which are not regulations) or take other appropriate actions for contaminants not subject to any national primary drinking water regulation.''.*

*(b) APPLICABILITY OF PRIOR REQUIREMENTS.—The requirements of subparagraphs (C) and (D) of section 1412(b)(3) of title XIV of the Public Health Service Act (commonly known as the Safe Drinking Water Act) as in effect before the enactment of this Act, and any obligation to promulgate regulations pursuant to such subparagraphs not promulgated as of the date of enactment of this Act, are superseded by the amendments made by subsection (a) to such subparagraphs (C) and (D).*

***SEC. 102. DISINFECTANTS AND DISINFECTION BY-PRODUCTS.***

*Section 1412(b)(3) (42 U.S.C. 300g–1(b)(3)) is amended by adding at the end the following subparagraph:*

*''(F) DISINFECTANTS AND DISINFECTION BY-PRODUCTS.—*

*''(i) INFORMATION COLLECTION RULE.—Not later than December 31, 1996, the Administrator shall, after notice and opportunity for public comment, promulgate an information collection rule to obtain information that will facilitate further revisions to the national primary drinking water regulation for disinfectants and disinfection byproducts, including information on microbial contaminants such as cryptosporidium. The Administrator may extend the December 31, 1996, deadline under this clause for up to 180 days if the Administrator determines that progress toward approval of an appropriate analytical method to screen for cryptosporidium is sufficiently advanced and approval is likely to be completed within the additional time period.*

*''(ii) ADDITIONAL DEADLINES.—The time intervals between promulgation of a final information collection rule, an Interim Enhanced Surface Water Treatment Rule, a Final Enhanced Surface Water Treatment Rule, a Stage I Disinfectants and Disinfection Byproducts Rule, and a Stage II Disinfectants and Disinfection Byproducts Rule shall be in accordance with the schedule published in volume 59, Federal Register, page 6361 (February 10, 1994), in table III.13 of the proposed Information Collection Rule. If a delay occurs with respect to the promulgation of any rule in the timetable established by this subparagraph, all subsequent rules shall be completed as expeditiously as practicable but no later than a revised date that reflects the interval or intervals for the rules in the timetable.''.*

***SEC. 103. LIMITED ALTERNATIVE TO FILTRATION.***

*Section 1412(b)(7)(C) is amended by adding the following after clause (iv):*

*''(v) As an additional alternative to the regulations promulgated pursuant to clauses (i) and (iii), including the criteria for avoiding filtration contained in CFR 141.71, a State exercising primary enforcement responsibility for public water systems may, on a case-by-case basis, and after notice and opportunity for public comment, establish treatment requirements as an alternative to filtration in the case of systems having uninhabited, undeveloped watersheds in consolidated ownership, and having control over access to, and activities in, those watersheds, if the State determines (and the Administrator concurs) that the quality of the source water and the alternative treatment requirements established by the State ensure greater removal or inactivation efficiencies of pathogenic organisms for which national primary drinking water regulations have been promulgated or that are of public health concern than would be achieved by the combination of filtration and chlorine disinfection (in compliance with paragraph (8)).''.*

***SEC. 104. STANDARD-SETTING.***

*(a) IN GENERAL.—Section 1412(b) (42 U.S.C. 300g–1(b)) is amended as follows:*

*(1) In paragraph (4)—*

*(A) by striking ''(4) Each'' and inserting the following:*

*''(4) GOALS AND STANDARDS.—*

*''(A) MAXIMUM CONTAMINANT LEVEL GOALS.—Each'';*

*(B) in the last sentence—*

*(i) by striking ''Each national'' and inserting the following:*

*''(B) MAXIMUM CONTAMINANT LEVELS.— Except as provided in paragraphs (5) and (6), each national''; and*

*(ii) by striking ''maximum level'' and inserting ''maximum contaminant level''; and*

*(C) by adding at the end the following:*

*''(C) DETERMINATION.—At the time the Administrator proposes a national primary drinking water regulation under this paragraph, the Administrator shall publish a determination as to whether the benefits of the maximum contaminant level justify, or do not justify, the costs based on the analysis conducted under paragraph (12)(C).''.*

*(2) By striking ''(5) For the'' and inserting the following:*

*''(D) DEFINITION OF FEASIBLE.—For the''.*

*(3) In the second sentence of paragraph (4)(D) (as so designated), by striking ''paragraph (4)'' and inserting ''this paragraph''.*

*(4) By striking ''(6) Each national'' and inserting the following:*

*''(E) FEASIBLE TECHNOLOGIES.—*

*''(i) Each national''.*

*(5) In paragraph (4)(E)(i) (as so designated), by striking ''this paragraph'' and inserting ''this subsection''.*

*(6) By inserting after paragraph (4) (as so amended) the following:*

*''(5) ADDITIONAL HEALTH RISK CONSIDERATIONS.—*

*''(A) IN GENERAL.—Notwithstanding paragraph (4), the Administrator may establish a maximum contaminant level for a contaminant at a level other than the feasible level, if the technology, treatment techniques, and other means used to determine the feasible level would result in an increase in the health risk from drinking water by—*

*''(i) increasing the concentration of other contaminants in drinking water; or*

*''(ii) interfering with the efficacy of drinking water treatment techniques or processes that are used to comply with other national primary drinking water regulations.*

*''(B) ESTABLISHMENT OF LEVEL.—If the Administrator establishes a maximum contaminant level or levels or requires the use of treatment techniques for any contaminant or contaminants pursuant to the authority of this paragraph—*

*''(i) the level or levels or treatment techniques shall minimize the overall risk of adverse health effects by balancing the risk from the contaminant and the risk from other contaminants the concentrations of which may be affected by the use of a treatment technique or process that would be employed to attain the maximum contaminant level or levels; and*

*''(ii) the combination of technology, treatment techniques, or other means required to meet the level or levels shall not be more stringent than is feasible (as defined in paragraph (4)(D)).*

*''(6) ADDITIONAL HEALTH RISK REDUCTION AND COST CONSIDERATIONS.—*

*''(A) IN GENERAL.—Notwithstanding paragraph (4), if the Administrator determines based on an analysis conducted under paragraph (12)(C) that the benefits of a maximum contaminant level promulgated in accordance with paragraph (4) would not justify the costs of complying with the level, the Administrator may, after notice and opportunity for public comment, promulgate a maximum contaminant level for the contaminant that maximizes health risk reduction benefits at a cost that is justified by the benefits.*

*''(B) EXCEPTION.—The Administrator shall not use the authority of this paragraph to promulgate a maximum contaminant level for a contaminant, if the benefits of compliance with a national primary drinking water regulation for the contaminant that would be promulgated in accordance with paragraph (4) experienced by—*

*''(i) persons served by large public water systems; and*

*''(ii) persons served by such other systems as are unlikely, based on information provided by*

*the States, to receive a variance under section 1415(e) (relating to small system assistance program);*

*would justify the costs to the systems of complying with the regulation. This subparagraph shall not apply if the contaminant is found almost exclusively in small systems (as defined in section 1415(e), relating to small system assistance program).*

*''(C) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator may not use the authority of this paragraph to establish a maximum contaminant level in a Stage I or Stage II national primary drinking water regulation for contaminants that are disinfectants or disinfection byproducts (as described in paragraph (3)(F)), or to establish a maximum contaminant level or treatment technique requirement for the control of cryptosporidium. The authority of this paragraph may be used to establish regulations for the use of disinfection by systems relying on ground water sources as required by paragraph (8).*

*''(D) JUDICIAL REVIEW.—A determination by the Administrator that the benefits of a maximum contaminant level or treatment requirement justify or do not justify the costs of complying with the level shall be reviewed by the court pursuant to section 1448 only as part of a review of a final national primary drinking water regulation that has been promulgated based on the determination and shall not be set aside by the court under that section unless the court finds that the determination is arbitrary and capricious.''.*

*(b) DISINFECTANTS AND DISINFECTION BYPRODUCTS.—The Administrator of the Environmental Protection Agency may use the authority of section 1412(b)(5) of the Public Health Service Act (as amended by this Act) to promulgate the Stage I and Stage II rules for disinfectants and disinfection byproducts as proposed in volume 59, Federal Register, page 38668 (July 29, 1994). The considerations used in the development of the July 29, 1994, proposed national primary drinking water regulation on Disinfection and Disinfection Byproducts shall be treated as consistent with such section 1412(b)(5) for purposes of such Stage I and Stage II rules.*

*(c) REVIEW OF STANDARDS.—Section 1412(b)(9) (42 U.S.C. 300g–1(b)) is amended to read as follows:*

*''(9) REVIEW AND REVISION.—The Administrator shall, not less often than every 6 years, review and revise, as appropriate, each national primary drinking water regulation promulgated under this title. Any revision of a national primary drinking water regulation shall be promulgated in accordance with this section, except that each revision shall maintain, or provide for greater, protection of the health of persons.''.*

***SEC. 105. GROUND WATER DISINFECTION.***

*Section 1412(b)(8) (42 U.S.C. 300g–1(b)(8)) is amended by striking the first sentence and inserting the following: ''At any time after the end of the 3-year period that begins on the date of enactment of the Safe Drinking Water Act Amendments of 1996, but not later than the date on which the Administrator promulgates a Stage II rulemaking for disinfectants and disinfection byproducts (as described in paragraph (3)(F)(ii)), the Administrator shall also promulgate national primary drinking water regulations requiring disinfection as a treatment technique for all public water systems, including surface water systems and, as necessary, ground water systems. After consultation with the States, the Administrator shall (as part of the regulations) promulgate criteria that the Administrator, or a State that has primary enforcement responsibility under section 1413, shall apply to determine whether disinfection shall be required as a treatment technique for any public water system served by ground water. A State that has primary enforcement authority shall develop a plan through which ground water disinfection determinations are made. The plan shall be based on the Administrator's criteria and shall be submitted to the Administrator for approval.''.*

***SEC. 106. EFFECTIVE DATE FOR REGULATIONS.***

*Section 1412(b)(10) (42 U.S.C. 300g–1(b)(10)) is amended to read as follows:*

*''(10) EFFECTIVE DATE.—A national primary drinking water regulation promulgated under this section (and any amendment thereto) shall take effect on the date that is 3 years after the date on which the regulation is promulgated unless the Administrator determines that an earlier date is practicable, except that the Administrator, or a State (in the case of an individual system), may allow up to 2 additional years to comply with a maximum contaminant level or treatment technique if the Administrator or State (in the case of an individual system) determines that additional time is necessary for capital improvements.''.*

***SEC. 107. RISK ASSESSMENT, MANAGEMENT, AND COMMUNICATION.***

*Section 1412(b) (42 U.S.C. 300g–1(b)) is amended by inserting after paragraph (11) the following:*

*''(12) RISK ASSESSMENT, MANAGEMENT AND COMMUNICATION.—*

*''(A) USE OF SCIENCE IN DECISIONMAKING.—In carrying out this section, and, to the degree that an Agency action is based on science, the Administrator shall use—*

*''(i) the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices; and*

*''(ii) data collected by accepted methods or best available methods (if the reliability of the method and the nature of the decision justifies use of the data).*

*''(B) PUBLIC INFORMATION.—In carrying out this section, the Administrator shall ensure that the presentation of information on public health effects is comprehensive, informative and understandable. The Administrator shall, in a document made available to the public in support of a regulation promulgated under this section, specify, to the extent practicable—*

*''(i) each population addressed by any estimate of public health effects;*

*''(ii) the expected risk or central estimate of risk for the specific populations;*

*''(iii) each appropriate upper-bound or lower-bound estimate of risk;*

*''(iv) each significant uncertainty identified in the process of the assessment of public health effects and studies that would assist in resolving the uncertainty; and*

*''(v) peer-reviewed studies known to the Administrator that support, are directly relevant to, or fail to support any estimate of public health effects and the methodology used to reconcile inconsistencies in the scientific data.*

*''(C) HEALTH RISK REDUCTION AND COST ANALYSIS.—*

*''(i) MAXIMUM CONTAMINANT LEVELS.—When proposing any national primary drinking water regulation that includes a maximum contaminant level, the Administrator shall, with respect to a maximum contaminant level that is being considered in accordance with paragraph (4) and each alternative maximum contaminant level that is being considered pursuant to paragraph (5) or (6)(A), publish, seek public comment on, and use for the purposes of paragraphs (4), (5), and (6) an analysis of:*

*''(I) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur as the result of treatment to comply with each level.*

*''(II) Quantifiable and nonquantifiable health risk reduction benefits for which there is a factual basis in the rulemaking record to conclude that such benefits are likely to occur from reductions in co-occurring contaminants that may be attributed solely to compliance with the maximum contaminant level, excluding benefits resulting from compliance with other proposed or promulgated regulations.*

*''(III) Quantifiable and nonquantifiable costs for which there is a factual basis in the rulemaking record to conclude that such costs are likely to occur solely as a result of compliance with the maximum contaminant level, including monitoring, treatment, and other costs and excluding costs resulting from compliance with other proposed or promulgated regulations.*

*''(IV) The incremental costs and benefits associated with each alternative maximum contaminant level considered.*

*''(V) The effects of the contaminant on the general population and on groups within the general population such as infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that are identified as likely to be at greater risk of adverse health effects due to exposure to contaminants in drinking water than the general population.*

*''(VI) Any increased health risk that may occur as the result of compliance, including risks associated with co-occurring contaminants.*

*''(VII) Other relevant factors, including the quality and extent of the information, the uncertainties in the analysis supporting subclauses (I) through (VI), and factors with respect to the degree and nature of the risk.*

*''(ii) TREATMENT TECHNIQUES.—When proposing a national primary drinking water regulation that includes a treatment technique in accordance with paragraph (7)(A), the Administrator shall publish and seek public comment on an analysis of the health risk reduction benefits and costs likely to be experienced as the result of compliance with the treatment technique and alternative treatment techniques that are being considered, taking into account, as appropriate, the factors described in clause (i).*

*''(iii) APPROACHES TO MEASURE AND VALUE BENEFITS.—The Administrator may identify valid approaches for the measurement and valuation of benefits under this subparagraph, including approaches to identify consumer willingness to pay for reductions in health risks from drinking water contaminants.*

*''(iv) AUTHORIZATION.—There are authorized to be appropriated to the Administrator, acting through the Office of Ground Water and Drinking Water, to conduct studies, assessments, and analyses in support of regulations or the development of methods, $35,000,000 for each of fiscal years 1996 through 2003.''.*

***SEC. 108. RADON, ARSENIC, AND SULFATE.***

*Section 1412(b) is amended by inserting after paragraph (12) the following:*

*''(13) CERTAIN CONTAMINANTS.—*

*''(A) RADON.—Any proposal published by the Administrator before the enactment of the Safe Drinking Water Act Amendments of 1996 to establish a national primary drinking water standard for radon shall be withdrawn by the Administrator. Notwithstanding any provision of any law enacted prior to the enactment of the Safe Drinking Water Act Amendments of 1996, within 3 years of such date of enactment, the Administrator shall propose and promulgate a national primary drinking water regulation for radon under this section, as amended by the Safe Drinking Water Act Amendments of 1996. In undertaking any risk analysis and benefit cost analysis in connection with the promulgation of such standard, the Administrator shall take into account the costs and benefits of control programs for radon from other sources.*

*''(B) ARSENIC.—(i) Notwithstanding the deadlines set forth in paragraph (1), the Administrator shall promulgate a national primary drinking water regulation for arsenic pursuant to this subsection, in accordance with the schedule established by this paragraph.*

*''(ii) Not later than 180 days after the date of enactment of this paragraph, the Administrator shall develop a comprehensive plan for study in*

*support of drinking water rulemaking to reduce the uncertainty in assessing health risks associated with exposure to low levels of arsenic. In conducting such study, the Administrator shall consult with the National Academy of Sciences, other Federal agencies, and interested public and private entities.*

*''(iii) In carrying out the study plan, the Administrator may enter into cooperative agreements with other Federal agencies, State and local governments, and other interested public and private entities.*

*''(iv) The Administrator shall propose a national primary drinking water regulation for arsenic not later than January 1, 2000.*

*''(v) Not later than January 1, 2001, after notice and opportunity for public comment, the Administrator shall promulgate a national primary drinking water regulation for arsenic.*

*''(vi) There are authorized to be appropriated $2,000,000 for each of fiscal years 1997 through 2001 for the studies required by this paragraph.*

*''(C) SULFATE.—*

*''(i) ADDITIONAL STUDY.—Prior to promulgating a national primary drinking water regulation for sulfate, the Administrator and the Director of the Centers for Disease Control and Prevention shall jointly conduct an additional study to establish a reliable dose-response relationship for the adverse human health effects that may result from exposure to sulfate in drinking water, including the health effects that may be experienced by groups within the general population (including infants and travelers) that are potentially at greater risk of adverse health effects as the result of such exposure. The study shall be conducted in consultation with interested States, shall be based on the best available, peer-reviewed science and supporting studies conducted in accordance with sound and objective scientific practices.*

*''(ii) PROPOSED AND FINAL RULE.—Notwithstanding the deadlines set forth in paragraph (1), the Administrator may, pursuant to the authorities of this subsection and after notice and opportunity for public comment, promulgate a final national primary drinking water regulation for sulfate. Any such regulation shall include requirements for public notification and options for the provision of alternative water supplies to populations at risk as a means of complying with the regulation in lieu of a best available treatment technology or other means.''.*

***SEC. 109. URGENT THREATS TO PUBLIC HEALTH.***

*Section 1412(b) is amended by inserting the following after paragraph (13):*

*''(14) URGENT THREATS TO PUBLIC HEALTH.—The Administrator may promulgate an interim national primary drinking water regulation for a contaminant without making a determination for the contaminant under paragraph (4)(C) or completing the analysis under paragraph (12)(C) to address an urgent threat to public health as determined by the Administrator after consultation with and written response to any comments provided by the Secretary of Health and Human Services, acting through the director of the Centers for Disease Control and Prevention or the director of the National Institutes of Health. A determination for any contaminant in accordance with paragraph (4)(C) subject to an interim regulation under this subparagraph shall be issued, and a completed analysis meeting the requirements of paragraph (12)(C) shall be published, not later than 3 years after the date on which the regulation is promulgated and the regulation shall be repromulgated, or revised if appropriate, not later than 5 years after that date.''.*

***SEC. 110. RECYCLING OF FILTER BACKWASH.***

*Section 1412(b) is amended by adding the following new paragraph after paragraph (14):*

*''(15) RECYCLING OF FILTER BACKWASH.—The Administrator shall promulgate a regulation to govern the recycling of filter backwash water within the treatment process of a public water system. The Administrator shall promulgate such regulation not later than 4 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 unless such recycling has been addressed by the Administrator's 'enhanced surface water treatment rule' prior to such date.''.*

***SEC. 111. TREATMENT TECHNOLOGIES FOR SMALL SYSTEMS.***

*(a) LIST OF TECHNOLOGIES FOR SMALL SYSTEMS.—Section 1412(b)(4)(E) (42 U.S.C. 300g–1(b)(4)(E)), is amended by adding at the end the following:*

*''(ii) The Administrator shall include in the list any technology, treatment technique, or other means that is affordable for small public water systems serving—*

*''(I) a population of 10,000 or fewer but more than 3,300;*

*''(II) a population of 3,300 or fewer but more than 500; and*

*''(III) a population of 500 or fewer but more than 25;*

*and that achieves compliance with the maximum contaminant level or treatment technique, including packaged or modular systems and point-of-entry or point-of-use treatment units. Point-of-entry and point-of-use treatment units shall be owned, controlled and maintained by the public water system or by a person under contract with the public water system to ensure proper operation and maintenance and compliance with the maximum contaminant level or treatment technique and equipped with mechanical warnings to ensure that customers are automatically notified of operational problems. If the American National Standards Institute has issued product standards applicable to a specific type of point-of-entry or point-of-use treatment unit, individual units of that type shall not be accepted for compliance with a maximum contaminant level or treatment technique requirement unless they are independently certified in accordance with such standards.*

*''(iii) Except as provided in clause (v), not later than 2 years after the date of the enactment of this clause and after consultation with the States, the Administrator shall issue a list of technologies that achieve compliance with the maximum contaminant level or treatment technique for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii) for each national primary drinking water regulation promulgated prior to the date of the enactment of this paragraph.*

*''(iv) The Administrator may, at any time after a national primary drinking water regulation has been promulgated, supplement the list of technologies describing additional or new or innovative treatment technologies that meet the requirements of this paragraph for categories of small public water systems described in subclauses (I), (II) and (III) of clause (ii) that are subject to the regulation.*

*''(v) Within one year after the enactment of this clause, the Administrator shall list technologies that meet the surface water treatment rules for each category of public water systems described in subclauses (I), (II), and (III) of clause (ii).''.*

*(b) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—Section 1445 (42 U.S.C. 300j–4) is amended by adding after subsection (g):*

*''(h) AVAILABILITY OF INFORMATION ON SMALL SYSTEM TECHNOLOGIES.—For purposes of sections 1412(b)(4)(E) and 1415(e) (relating to small system assistance program), the Administrator may request information on the characteristics of commercially available treatment systems and technologies, including the effectiveness and performance of the systems and technologies under various operating conditions. The Administrator may specify the form, content, and submission date of information to be submitted by manufacturers, States, and other interested persons for the purpose of considering the systems and technologies in the development of regulations or guidance under sections 1412(b)(4)(E) and 1415(e).''.*

***Subtitle B—State Primary Enforcement Responsibility for Public Water Systems***

***SEC. 121. STATE PRIMACY.***

*(a) STATE PRIMARY ENFORCEMENT RESPONSIBILITY.—Section 1413 (42 U.S.C. 300g–2) is amended as follows:*

*(1) In subsection (a), by amending paragraph (1) to read as follows:*

*''(1) has adopted drinking water regulations that are no less stringent than the national primary drinking water regulations promulgated by the Administrator under subsections (a) and (b) of section 1412 not later than 2 years after the date on which the regulations are promulgated by the Administrator, except that the Administrator may provide for an extension of not more than 2 years if, after submission and review of appropriate, adequate documentation from the State, the Administrator determines that the extension is necessary and justified;''.*

*(2) By adding at the end the following subsection:*

*''(c) INTERIM PRIMARY ENFORCEMENT AUTHORITY.—A State that has primary enforcement authority under this section with respect to each existing national primary drinking water regulation shall be considered to have primary enforcement authority with respect to each new or revised national primary drinking water regulation during the period beginning on the effective date of a regulation adopted and submitted by the State with respect to the new or revised national primary drinking water regulation in accordance with subsection (b)(1) and ending at such time as the Administrator makes a determination under subsection (b)(2)(B) with respect to the regulation.''.*

*(b) EMERGENCY PLANS.—Section 1413(a)(5) is amended by inserting after ''emergency circumstances'' the following: ''including earthquakes, floods, hurricanes, and other natural disasters, as appropriate''.*

***Subtitle C—Notification and Enforcement***

***SEC. 131. PUBLIC NOTIFICATION.***

*Section 1414(c) (42 U.S.C. 300g–3(c)) is amended to read as follows:*

*''(c) NOTICE TO PERSONS SERVED.—*

*''(1) IN GENERAL.—Each owner or operator of a public water system shall give notice of each of the following to the persons served by the system:*

*''(A) Notice of any failure on the part of the public water system to—*

*''(i) comply with an applicable maximum contaminant level or treatment technique requirement of, or a testing procedure prescribed by, a national primary drinking water regulation; or*

*''(ii) perform monitoring required by section 1445(a).*

*''(B) If the public water system is subject to a variance granted under subsection (a)(1)(A), (a)(2), or (e) of section 1415 for an inability to meet a maximum contaminant level requirement or is subject to an exemption granted under section 1416, notice of—*

*''(i) the existence of the variance or exemption; and*

*''(ii) any failure to comply with the requirements of any schedule prescribed pursuant to the variance or exemption.*

*''(C) Notice of the concentration level of any unregulated contaminant for which the Administrator has required public notice pursuant to paragraph (2)(E).*

*''(2) FORM, MANNER, AND FREQUENCY OF NOTICE.—*

*''(A) IN GENERAL.—The Administrator shall, by regulation, and after consultation with the States, prescribe the manner, frequency, form, and content for giving notice under this subsection. The regulations shall—*

*''(i) provide for different frequencies of notice based on the differences between violations that are intermittent or infrequent and violations that are continuous or frequent; and*

''(ii) take into account the seriousness of any potential adverse health effects that may be involved.

''(B) STATE REQUIREMENTS.—

''(i) IN GENERAL.—A State may, by rule, establish alternative notification requirements—

''(I) with respect to the form and content of notice given under and in a manner in accordance with subparagraph (C); and

''(II) with respect to the form and content of notice given under subparagraph (D).

''(ii) CONTENTS.—The alternative requirements shall provide the same type and amount of information as required pursuant to this subsection and regulations issued under subparagraph (A).

''(iii) RELATIONSHIP TO SECTION 1413.—Nothing in this subparagraph shall be construed or applied to modify the requirements of section 1413.

''(C) VIOLATIONS WITH POTENTIAL TO HAVE SERIOUS ADVERSE EFFECTS ON HUMAN HEALTH.—Regulations issued under subparagraph (A) shall specify notification procedures for each violation by a public water system that has the potential to have serious adverse effects on human health as a result of short-term exposure. Each notice of violation provided under this subparagraph shall—

''(i) be distributed as soon as practicable after the occurrence of the violation, but not later than 24 hours after the occurrence of the violation;

''(ii) provide a clear and readily understandable explanation of—

''(I) the violation;

''(II) the potential adverse effects on human health;

''(III) the steps that the public water system is taking to correct the violation; and

''(IV) the necessity of seeking alternative water supplies until the violation is corrected;

''(iii) be provided to the Administrator or the head of the State agency that has primary enforcement responsibility under section 1413 as soon as practicable, but not later than 24 hours after the occurrence of the violation; and

''(iv) as required by the State agency in general regulations of the State agency, or on a case-by-case basis after the consultation referred to in clause (iii), considering the health risks involved—

''(I) be provided to appropriate broadcast media;

''(II) be prominently published in a newspaper of general circulation serving the area not later than 1 day after distribution of a notice pursuant to clause (i) or the date of publication of the next issue of the newspaper; or

''(III) be provided by posting or door-to-door notification in lieu of notification by means of broadcast media or newspaper.

''(D) WRITTEN NOTICE.—

''(i) IN GENERAL.—Regulations issued under subparagraph (A) shall specify notification procedures for violations other than the violations covered by subparagraph (C). The procedures shall specify that a public water system shall provide written notice to each person served by the system by notice (I) in the first bill (if any) prepared after the date of occurrence of the violation, (II) in an annual report issued not later than 1 year after the date of occurrence of the violation, or (III) by mail or direct delivery as soon as practicable, but not later than 1 year after the date of occurrence of the violation.

''(ii) FORM AND MANNER OF NOTICE.—The Administrator shall prescribe the form and manner of the notice to provide a clear and readily understandable explanation of the violation, any potential adverse health effects, and the steps that the system is taking to seek alternative water supplies, if any, until the violation is corrected.

''(E) UNREGULATED CONTAMINANTS.—The Administrator may require the owner or operator of a public water system to give notice to the persons served by the system of the concentration levels of an unregulated contaminant required to be monitored under section 1445(a).

''(3) REPORTS.—

''(A) ANNUAL REPORT BY STATE.—

''(i) IN GENERAL.—Not later than January 1, 1998, and annually thereafter, each State that has primary enforcement responsibility under section 1413 shall prepare, make readily available to the public, and submit to the Administrator an annual report on violations of national primary drinking water regulations by public water systems in the State, including violations with respect to (I) maximum contaminant levels, (II) treatment requirements, (III) variances and exemptions, and (IV) monitoring requirements determined to be significant by the Administrator after consultation with the States.

''(ii) DISTRIBUTION.—The State shall publish and distribute summaries of the report and indicate where the full report is available for review.

''(B) ANNUAL REPORT BY ADMINISTRATOR.—Not later than July 1, 1998, and annually thereafter, the Administrator shall prepare and make available to the public an annual report summarizing and evaluating reports submitted by States pursuant to subparagraph (A) and notices submitted by public water systems serving Indian Tribes provided to the Administrator pursuant to subparagraph (C) or (D) of paragraph (2) and making recommendations concerning the resources needed to improve compliance with this title. The report shall include information about public water system compliance on Indian reservations and about enforcement activities undertaken and financial assistance provided by the Administrator on Indian reservations, and shall make specific recommendations concerning the resources needed to improve compliance with this title on Indian reservations.

''(4) CONSUMER CONFIDENCE REPORTS BY COMMUNITY WATER SYSTEMS.—

''(A) ANNUAL REPORTS TO CONSUMERS.—The Administrator, in consultation with public water systems, environmental groups, public interest groups, risk communication experts, and the States, and other interested parties, shall issue regulations within 24 months after the date of the enactment of this paragraph to require each community water system to mail to each customer of the system at least once annually a report on the level of contaminants in the drinking water purveyed by that system (hereinafter in this paragraph referred to as a 'consumer confidence report'). Such regulations shall provide a brief and plainly worded definition of the terms 'maximum contaminant level goal' and 'maximum contaminant level' and brief statements in plain language regarding the health concerns that resulted in regulation of each regulated contaminant. The regulations shall also provide for an Environmental Protection Agency toll-free hot-line that consumers can call for more information and explanation.

''(B) CONTENTS OF REPORT.—The consumer confidence reports under this paragraph shall include, but not be limited to, each of the following:

''(i) Information on the source of the water purveyed.

''(ii) A brief and plainly worded definition of the terms 'maximum contaminant level goal' and 'maximum contaminant level', as provided in the regulations of the Administrator.

''(iii) If any regulated contaminant is detected in the water purveyed by the public water system, a statement setting forth (I) the maximum contaminant level goal, (II) the maximum contaminant level, (III) the level of such contaminant in such water system, and (IV) for any regulated contaminant for which there has been a violation of the maximum contaminant level during the year concerned, the brief statement in plain language regarding the health concerns that resulted in regulation of such contaminant, as provided by the Administrator in regulations under subparagraph (A).

''(iv) Information on compliance with national primary drinking water regulations.

''(v) Information on the levels of unregulated contaminants for which monitoring is required under section 1445(a)(2) (including levels of cryptosporidium and radon where States determine they may be found).

''(vi) A statement that more information about contaminants and potential health effects can be obtained by calling the Environmental Protection Agency hot line.

A public water system may include such additional information as it deems appropriate for public education. The Administrator may, for not more than 3 regulated contaminants other than those referred to in subclause (IV) of clause (iii), require a consumer confidence report under this paragraph to include the brief statement in plain language regarding the health concerns that resulted in regulation of the contaminant or contaminants concerned, as provided by the Administrator in regulations under subparagraph (A).

''(C) COVERAGE.—The Governor of a State may determine not to apply the mailing requirement of subparagraph (A) to a community water system serving fewer than 10,000 persons. Any such system shall—

''(i) inform its customers that the system will not be complying with subparagraph (A),

''(ii) make information available upon request to the public regarding the quality of the water supplied by such system, and

''(iii) publish the report referred to in subparagraph (A) annually in one or more local newspapers serving the area in which customers of the system are located.

''(D) ALTERNATIVE FORM AND CONTENT.—A State exercising primary enforcement responsibility may establish, by rule, after notice and public comment, alternative requirements with respect to the form and content of consumer confidence reports under this paragraph.''.

**SEC. 132. ENFORCEMENT.**

(a) IN GENERAL.—Section 1414 (42 U.S.C. 300g–3) is amended as follows:

(1) In subsection (a):

(A) In paragraph (1)(A)(i), by striking ''any national primary drinking water regulation in effect under section 1412'' and inserting ''any applicable requirement'', and by striking ''with such regulation or requirement'' in the matter following clause (ii) and inserting ''with the requirement''.

(B) In paragraph (1)(B), by striking ''regulation or'' and inserting ''applicable''.

(C) By amending paragraph (2) to read as follows:

''(2) ENFORCEMENT IN NONPRIMACY STATES.—

''(A) IN GENERAL.—If, on the basis of information available to the Administrator, the Administrator finds, with respect to a period in which a State does not have primary enforcement responsibility for public water systems, that a public water system in the State—

''(i) for which a variance under section 1415 or an exemption under section 1416 is not in effect, does not comply with any applicable requirement; or

''(ii) for which a variance under section 1415 or an exemption under section 1416 is in effect, does not comply with any schedule or other requirement imposed pursuant to the variance or exemption;

the Administrator shall issue an order under subsection (g) requiring the public water system to comply with the requirement, or commence a civil action under subsection (b).

''(B) NOTICE.—If the Administrator takes any action pursuant to this paragraph, the Administrator shall notify an appropriate local elected official, if any, with jurisdiction over the public water system of the action prior to the time that the action is taken.''.

(2) In subsection (b), in the first sentence, by striking ''a national primary drinking water regulation'' and inserting ''any applicable requirement''.

(3) In subsection (g):

*(A) In paragraph (1), by striking ''regulation, schedule, or other'' each place it appears and inserting ''applicable''.*

*(B) In paragraph (2), by striking ''effect until after notice and opportunity for public hearing and,'' and inserting ''effect,'', and by striking ''proposed order'' and inserting ''order'', in the first sentence and in the second sentence, by striking ''proposed to be''.*

*(C) In paragraph (3), by striking subparagraph (B) and inserting the following:*

*''(B) In a case in which a civil penalty sought by the Administrator under this paragraph does not exceed $5,000, the penalty shall be assessed by the Administrator after notice and opportunity for a public hearing (unless the person against whom the penalty is assessed requests a hearing on the record in accordance with section 554 of title 5, United States Code). In a case in which a civil penalty sought by the Administrator under this paragraph exceeds $5,000, but does not exceed $25,000, the penalty shall be assessed by the Administrator after notice and opportunity for a hearing on the record in accordance with section 554 of title 5, United States Code.''.*

*(D) In paragraph (3)(C), by striking ''paragraph exceeds $5,000'' and inserting ''subsection for a violation of an applicable requirement exceeds $25,000''.*

*(4) By adding at the end the following subsections:*

*''(h) RELIEF.—*

*''(1) IN GENERAL.—An owner or operator of a public water system may submit to the State in which the system is located (if the State has primary enforcement responsibility under section 1413) or to the Administrator (if the State does not have primary enforcement responsibility) a plan (including specific measures and schedules) for—*

*''(A) the physical consolidation of the system with 1 or more other systems;*

*''(B) the consolidation of significant management and administrative functions of the system with 1 or more other systems; or*

*''(C) the transfer of ownership of the system that may reasonably be expected to improve drinking water quality.*

*''(2) CONSEQUENCES OF APPROVAL.—If the State or the Administrator approves a plan pursuant to paragraph (1), no enforcement action shall be taken pursuant to this part with respect to a specific violation identified in the approved plan prior to the date that is the earlier of the date on which consolidation is completed according to the plan or the date that is 2 years after the plan is approved.*

*''(i) DEFINITION OF APPLICABLE REQUIREMENT.—In this section, the term 'applicable requirement' means—*

*''(1) a requirement of section 1412, 1414, 1415, 1416, 1417, 1441, or 1445;*

*''(2) a regulation promulgated pursuant to a section referred to in paragraph (1);*

*''(3) a schedule or requirement imposed pursuant to a section referred to in paragraph (1); and*

*''(4) a requirement of, or permit issued under, an applicable State program for which the Administrator has made a determination that the requirements of section 1413 have been satisfied, or an applicable State program approved pursuant to this part.''.*

*(b) STATE AUTHORITY FOR ADMINISTRATIVE PENALTIES.—Section 1413(a) (42 U.S.C. 300g–2(a)) is amended as follows:*

*(1) In paragraph (4), by striking ''and'' at the end thereof.*

*(2) In paragraph (5), by striking the period at the end and inserting ''; and''.*

*(3) By adding at the end the following:*

*''(6) has adopted authority for administrative penalties (unless the constitution of the State prohibits the adoption of the authority) in a maximum amount—*

*''(A) in the case of a system serving a population of more than 10,000, that is not less than $1,000 per day per violation; and*

*''(B) in the case of any other system, that is adequate to ensure compliance (as determined by the State);*

*except that a State may establish a maximum limitation on the total amount of administrative penalties that may be imposed on a public water system per violation.''.*

***SEC. 133. JUDICIAL REVIEW***

*Section 1448(a) (42 U.S.C. 300j–7(a)) is amended as follows:*

*(1) In paragraph (2), in the first sentence, by inserting ''final'' after ''any other''.*

*(2) In the matter after and below paragraph (2):*

*(A) By striking ''or issuance of the order'' and inserting ''or any other final Agency action''.*

*(B) By adding at the end the following: ''In any petition concerning the assessment of a civil penalty pursuant to section 1414(g)(3)(B), the petitioner shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General. The court shall set aside and remand the penalty order if the court finds that there is not substantial evidence in the record to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.''.*

***Subtitle D—Exemptions and Variances***

***SEC. 141. EXEMPTIONS.***

*(a) SYSTEMS SERVING FEWER THAN 3,300 PERSONS.—Section 1416 is amended by adding the following at the end thereof:*

*''(h) SMALL SYSTEMS.—(1) For public water systems serving fewer than 3,300 persons, the maximum exemption period shall be 4 years if the State is exercising primary enforcement responsibility for public water systems and determines that—*

*''(A) the public water system cannot meet the maximum contaminant level or install Best Available Affordable Technology ('BAAT') due in either case to compelling economic circumstances (taking into consideration the availability of financial assistance under section 1452, relating to State Revolving Funds) or other compelling circumstances;*

*''(B) the public water system could not comply with the maximum contaminant level through the use of alternate water supplies;*

*''(C) the granting of the exemption will provide a drinking water supply that protects public health given the duration of exemption; and*

*''(D) the State has met the requirements of paragraph (2).*

*''(2)(A) Before issuing an exemption under this section or an extension thereof for a small public water system described in paragraph (1), the State shall—*

*''(i) examine the public water system's technical, financial, and managerial capability (taking into consideration any available financial assistance) to operate in and maintain compliance with this title, and*

*''(ii) determine if management or restructuring changes (or both) can reasonably be made that will result in compliance with this title or, if compliance cannot be achieved, improve the quality of the drinking water.*

*''(B) Management changes referred to in subparagraph (A) may include rate increases, accounting changes, the hiring of consultants, the appointment of a technician with expertise in operating such systems, contractual arrangements for a more efficient and capable system for joint operation, or other reasonable strategies to improve capacity.*

*''(C) Restructuring changes referred to in subparagraph (A) may include ownership change, physical consolidation with another system, or other measures to otherwise improve customer base and gain economies of scale.*

*''(D) If the State determines that management or restructuring changes referred to in subparagraph (A) can reasonably be made, it shall require such changes and a schedule therefore as a condition of the exemption. If the State determines to the contrary, the State may still grant the exemption. The decision of the State under this subparagraph shall not be subject to review by the Administrator, except as provided in subsection (d).*

*''(3) Paragraphs (1) and (3) of subsection (a) shall not apply to an exemption issued under this subsection. Subparagraph (B) of subsection (b)(2) shall not apply to an exemption issued under this subsection, but any exemption granted to such a system may be renewed for additional 4-year periods upon application of the public water system and after a determination that the criteria of paragraphs (1) and (2) of this subsection continue to be met.*

*''(4) No exemption may be issued under this section for microbiological contaminants.''.*

*(b) LIMITED ADDITIONAL COMPLIANCE PERIOD.—At the end of section 1416(h) insert:*

*''(5)(A) Notwithstanding this subsection, the State of New York, on a case-by-case basis and after notice and an opportunity of at least 60 days for public comment, may allow an additional period for compliance with the Surface Water Treatment Rule established pursuant to section 1412(b)(7)(C) in the case of unfiltered systems in Essex, Columbia, Greene, Dutchess, Rennsselaer, Schoharie, Saratoga, Washington, and Warren Counties serving a population of less than 5,000, which meet appropriate disinfection requirements and have adequate watershed protections, so long as the State determines that the public health will be protected during the duration of the additional compliance period and the system agrees to implement appropriate control measures as determined by the State.*

*''(B) The additional compliance period referred to in subparagraph (A) shall expire on the earlier of the date 3 years after the date on which the Administrator identifies appropriate control technology for the Surface Water Treatment Rule for public water systems in the category that includes such system pursuant to section 1412(b)(4)(E) or 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996.''.*

*(c) TECHNICAL AND CONFORMING AMENDMENTS.—(1) Section 1416(b)(1) is amended by striking ''prescribed by a State pursuant to this subsection'' and inserting ''prescribed by a State pursuant to this subsection or subsection (h)''.*

*(2) Section 1416(c) is amended by striking ''under subsection (a)'' and inserting ''under this section'' and by inserting after ''(a)(3)'' in the second sentence ''or the determination under subsection (h)(1)(C)''.*

*(3) Section 1416(d)(1) is amended by striking ''3-year'' and inserting ''4-year'' and by amending the first sentence to read as follows: ''Not later than 4 years after the date of enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a comprehensive review of the exemptions granted (and schedules prescribed pursuant thereto) by the States during the 4-year period beginning on such date.''.*

*(4) Section 1416(b)(2)(C) is repealed.*

*(d) SYSTEMS SERVING MORE THAN 3,300 PERSONS.—Section 1416(b)(2)(A)(ii) is amended by striking ''12 months'' and inserting ''4 years'' and section 1416(b)(2)(B) is amended by striking ''3 years after the date of the issuance of the exemption'' and inserting ''4 years after the expiration of the initial exemption''.*

***SEC. 142. VARIANCES.***

*(a) BAAT VARIANCE.—Section 1415 (42 U.S.C. 300g–4) is amended by adding the following at the end thereof:*

*''(e) SMALL SYSTEM ASSISTANCE PROGRAM.—*

*''(1) BAAT VARIANCES.—In the case of public water systems serving 3,300 persons or fewer, a variance under this section shall be granted by a State which has primary enforcement responsibility for public water systems allowing the use of Best Available Affordable Technology in lieu of best technology or other means where—*

*''(A) no best technology or other means is listed under section 1412(b)(4)(E) for the applicable category of public water systems;*

''(B) the Administrator has identified BAAT for that contaminant pursuant to paragraph (3); and

''(C) the State finds that the conditions in paragraph (4) are met.

''(2) DEFINITION OF BAAT.—The term 'Best Available Affordable Technology' or 'BAAT' means the most effective technology or other means for the control of a drinking water contaminant or contaminants that is available and affordable to systems serving fewer than 3,300 persons.

''(3) IDENTIFICATION OF BAAT.—(A) As part of each national primary drinking water regulation proposed and promulgated after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT in any case where no 'best technology or other means' is listed for a category of public water systems listed under section 1412(b)(4)(E). No such identified BAAT shall require a technology from a specific manufacturer or brand. BAAT need not be adequate to achieve the applicable maximum contaminant level or treatment technique, but shall bring the public water system as close to achievement of such maximum contaminant level as practical or as close to the level of health protection provided by such treatment technique as practical, as the case may be. Any technology or other means identified as BAAT must be determined by the Administrator to be protective of public health. Simultaneously with identification of BAAT, the Administrator shall list any assumptions underlying the public health determination referred to in the preceding sentence, where such assumptions concern the public water system to which the technology may be applied, or its source waters. The Administrator shall provide the assumptions used in determining affordability, taking into consideration the number of persons served by such systems. Such listing shall provide as much reliable information as practicable on performance, effectiveness, limitations, costs, and other relevant factors in support of such listing, including the applicability of BAAT to surface and underground waters or both.

''(B) To the greatest extent possible, within 36 months after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall identify BAAT for all national primary drinking water regulations promulgated prior to such date of enactment where no best technology or other means is listed for a category of public water systems under section 1412(b)(4)(E), and where compliance by such small systems is not practical. In identifying BAAT for such national primary drinking water regulations, the Administrator shall give priority to evaluation of atrazine, asbestos, selenium, pentachlorophenol, antimony, and nickel.

''(4) CONDITIONS FOR BAAT VARIANCE.—To grant a variance under this subsection, the State must determine that—

''(A) the public water system cannot install 'best technology or other means' because of the system's small size;

''(B) the public water system could not comply with the maximum contaminant level through use of alternate water supplies or through management changes or restructuring;

''(C) the public water system has the capacity to operate and maintain BAAT; and

''(D) the circumstances of the public water system are consistent with the public health assumptions identified by the Administrator under paragraph (3).

''(5) SCHEDULES.—Any variance granted by a State under this subsection shall establish a schedule for the installation and operation of BAAT within a period not to exceed 2 years after the issuance of the variance, except that the State may grant an extension of 1 additional year upon application by the system. The application shall include a showing of financial or technical need. Variances under this subsection shall be for a term not to exceed 5 years (including the period allowed for installation and operation of BAAT), but may be renewed for such additional 5-year periods by the State upon a finding that the criteria in paragraph (1) continue to be met.

''(6) REVIEW.—Any review by the Administrator under paragraphs (4) and (5) shall be pursuant to subsection (a)(1)(G)(i).

''(7) INELIGIBILITY FOR VARIANCES.—A variance shall not be available under this subsection for—

''(A) any maximum contaminant level or treatment technique for a contaminant with respect to which a national primary drinking water regulation was promulgated prior to January 1, 1986; or

''(B) a national primary drinking water regulation for a microbial contaminant (including a bacterium, virus, or other organism) or an indicator or treatment technique for a microbial contaminant.''.

(b) TECHNICAL AND CONFORMING CHANGES.—

Section 1415 (42 U.S.C. 300g–4) is amended as follows:

(1) By striking ''best technology, treatment techniques, or other means'' and ''best available technology, treatment techniques or other means'' each place such terms appear and inserting in lieu thereof ''best technology or other means''.

(2) By striking the third sentence and by striking ''Before a schedule prescribed by a State pursuant to this subparagraph may take effect'' and all that follows down to the beginning of the last sentence in subsection (a)(1)(A).

(3) By amending the first sentence of subsection (a)(1)(C) to read as follows: ''Before a variance is issued and a schedule is prescribed pursuant to this subsection or subsection (e) by a State, the State shall provide notice and an opportunity for a public hearing on the proposed variance and schedule.''.

(4) By inserting ''under this section'' before the period at the end of the third sentence of subsection (a)(1)(C).

(5) By striking ''under subparagraph (A)'' and inserting ''under this section'' in subsection (a)(1)(D).

(6) By striking ''that subparagraph'' in each place it appears and insert in each such place ''this section'' in subsection (a)(1)(D).

(7) By striking the last sentence of subsection (a)(1)(D).

(8) By striking ''3-year'' and inserting ''5-year'' in subsection (a)(1)(F) and by amending the first sentence of such subsection (a)(1)(F) to read as follows: ''Not later than 5 years after the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall complete a review of the variances granted under this section (and the schedules prescribed in connection with such variances).''.

(9) By striking ''subparagraph (A) or (B)'' and inserting ''this section'' in subsection (a)(1)(G)(i).

(10) By striking ''paragraph (1)(B) or (2) of subsection (a)'' and inserting ''this section'' in subsection (b).

(11) By striking ''subsection (a)'' and inserting ''this section'' in subsection (c).

(12) By repealing subsection (d).

### Subtitle E—Lead Plumbing and Pipes

**SEC. 151. LEAD PLUMBING AND PIPES.**

Section 1417 (42 U.S.C. 300g–6) is amended as follows:

(1) In subsection (a)—

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

''(1) PROHIBITIONS.—

''(A) IN GENERAL.—No person may use any pipe, any pipe or plumbing fitting or fixture, any solder, or any flux, after June 19, 1986, in the installation or repair of—

''(i) any public water system; or

''(ii) any plumbing in a residential or nonresidential facility providing water for human consumption,

that is not lead free (within the meaning of subsection (d)).

''(B) LEADED JOINTS.—Subparagraph (A) shall not apply to leaded joints necessary for the repair of cast iron pipes.''.

(2) In subsection (a)(2)(A), by inserting ''owner or operator of a'' after ''Each''.

(3) By adding at the end of subsection (a) the following:

''(3) UNLAWFUL ACTS.—Effective 2 years after the date of enactment of this paragraph, it shall be unlawful—

''(A) for any person to introduce into commerce any pipe, or any pipe or plumbing fitting or fixture, that is not lead free, except for a pipe that is used in manufacturing or industrial processing;

''(B) for any person engaged in the business of selling plumbing supplies, except manufacturers, to sell solder or flux that is not lead free; or

''(C) for any person to introduce into commerce any solder or flux that is not lead free unless the solder or flux bears a prominent label stating that it is illegal to use the solder or flux in the installation or repair of any plumbing providing water for human consumption.''.

(4) In subsection (d)—

(A) by striking ''lead, and'' in paragraph (1) and inserting ''lead;'';

(B) by striking ''lead.'' in paragraph (2) and inserting ''lead; and''; and

(C) by adding at the end the following:

''(3) when used with respect to plumbing fittings and fixtures, refers to plumbing fittings and fixtures in compliance with standards established in accordance with subsection (e).''.

(5) By adding at the end the following:

''(e) PLUMBING FITTINGS AND FIXTURES.—

''(1) IN GENERAL.—The Administrator shall provide accurate and timely technical information and assistance to qualified third-party certifiers in the development of voluntary standards and testing protocols for the leaching of lead from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion.

''(2) STANDARDS.—

''(A) IN GENERAL.—If a voluntary standard for the leaching of lead is not established by the date that is 1 year after the date of enactment of this subsection, the Administrator shall, not later than 2 years after the date of enactment of this subsection, promulgate regulations setting a health-effects-based performance standard establishing maximum leaching levels from new plumbing fittings and fixtures that are intended by the manufacturer to dispense water for human ingestion. The standard shall become effective on the date that is 5 years after the date of promulgation of the standard.

''(B) ALTERNATIVE REQUIREMENT.—If regulations are required to be promulgated under subparagraph (A) and have not been promulgated by the date that is 5 years after the date of enactment of this subsection, no person may import, manufacture, process, or distribute in commerce a new plumbing fitting or fixture, intended by the manufacturer to dispense water for human ingestion, that contains more than 4 percent lead by dry weight.''.

### Subtitle F—Capacity Development

**SEC. 161. CAPACITY DEVELOPMENT.**

Part B (42 U.S.C. 300g et seq.) is amended by adding at the end the following:

**''SEC. 1419. CAPACITY DEVELOPMENT.**

''(a) STATE AUTHORITY FOR NEW SYSTEMS.—Each State shall obtain the legal authority or other means to ensure that all new community water systems and new nontransient, noncommunity water systems commencing operation after October 1, 1999, demonstrate technical, managerial, and financial capacity with respect to each national primary drinking water regulation in effect, or likely to be in effect, on the date of commencement of operations.

''(b) SYSTEMS IN SIGNIFICANT NONCOMPLIANCE.—

''(1) LIST.—Beginning not later than 1 year after the date of enactment of this section, each

*State shall prepare, periodically update, and submit to the Administrator a list of community water systems and nontransient, noncommunity water systems that have a history of significant noncompliance with this title (as defined in guidelines issued prior to the date of enactment of this section or any revisions of the guidelines that have been made in consultation with the States) and, to the extent practicable, the reasons for noncompliance.*

*''(2) REPORT.—Not later than 5 years after the date of enactment of this section and as part of the capacity development strategy of the State, each State shall report to the Administrator on the success of enforcement mechanisms and initial capacity development efforts in assisting the public water systems listed under paragraph (1) to improve technical, managerial, and financial capacity.*

*''(c) CAPACITY DEVELOPMENT STRATEGY.—*

*''(1) IN GENERAL.—Not later than 4 years after the date of enactment of this section, each State shall develop and implement a strategy to assist public water systems in acquiring and maintaining technical, managerial, and financial capacity.*

*''(2) CONTENT.—In preparing the capacity development strategy, the State shall consider, solicit public comment on, and include as appropriate—*

*''(A) the methods or criteria that the State will use to identify and prioritize the public water systems most in need of improving technical, managerial, and financial capacity;*

*''(B) a description of the institutional, regulatory, financial, tax, or legal factors at the Federal, State, or local level that encourage or impair capacity development;*

*''(C) a description of how the State will use the authorities and resources of this title or other means to—*

*''(i) assist public water systems in complying with national primary drinking water regulations;*

*''(ii) encourage the development of partnerships between public water systems to enhance the technical, managerial, and financial capacity of the systems; and*

*''(iii) assist public water systems in the training and certification of operators;*

*''(D) a description of how the State will establish a baseline and measure improvements in capacity with respect to national primary drinking water regulations and State drinking water law; and*

*''(E) an identification of the persons that have an interest in and are involved in the development and implementation of the capacity development strategy (including all appropriate agencies of Federal, State, and local governments, private and nonprofit public water systems, and public water system customers).*

*''(3) REPORT.—Not later than 2 years after the date on which a State first adopts a capacity development strategy under this subsection, and every 3 years thereafter, the head of the State agency that has primary responsibility to carry out this title in the State shall submit to the Governor a report that shall also be available to the public on the efficacy of the strategy and progress made toward improving the technical, managerial, and financial capacity of public water systems in the State.*

*''(4) REVIEW.—The decisions of the State under this section regarding any particular public water system are not subject to review by the Administrator and may not serve as the basis for withholding funds under section 1452(a)(1)(H)(i).*

*''(d) FEDERAL ASSISTANCE.—*

*''(1) IN GENERAL.—The Administrator shall support the States in developing capacity development strategies.*

*''(2) INFORMATIONAL ASSISTANCE.—*

*''(A) IN GENERAL.—Not later than 180 days after the date of enactment of this section, the Administrator shall—*

*''(i) conduct a review of State capacity development efforts in existence on the date of enactment of this section and publish information to assist States and public water systems in capacity development efforts; and*

*''(ii) initiate a partnership with States, public water systems, and the public to develop information for States on recommended operator certification requirements.*

*''(B) PUBLICATION OF INFORMATION.—The Administrator shall publish the information developed through the partnership under subparagraph (A)(ii) not later than 18 months after the date of enactment of this section.*

*''(3) PROMULGATION OF DRINKING WATER REGULATIONS.—In promulgating a national primary drinking water regulation, the Administrator shall include an analysis of the likely effect of compliance with the regulation on the technical, financial, and managerial capacity of public water systems.*

*''(4) GUIDANCE FOR NEW SYSTEMS.—Not later than 2 years after the date of enactment of this section, the Administrator shall publish guidance developed in consultation with the States describing legal authorities and other means to ensure that all new community water systems and new nontransient, noncommunity water systems demonstrate technical, managerial, and financial capacity with respect to national primary drinking water regulations.''.*

## *TITLE II—AMENDMENTS TO PART C*

### *SEC. 201. SOURCE WATER QUALITY ASSESSMENT.*

*(a) GUIDELINES AND PROGRAMS.—Section 1428 is amended by adding ''and source water'' after ''wellhead'' in the section heading and by adding at the end thereof the following:*

*''(l) SOURCE WATER ASSESSMENT.—*

*''(1) GUIDANCE.—Within 12 months after enactment of the Safe Drinking Water Act Amendments of 1996, after notice and comment, the Administrator shall publish guidance for States exercising primary enforcement responsibility for public water systems to carry out directly or through delegation (for the protection and benefit of public water systems and for the support of monitoring flexibility) a source water assessment program within the State's boundaries.*

*''(2) PROGRAM REQUIREMENTS.—A source water assessment program under this subsection shall—*

*''(A) delineate the boundaries of the assessment areas in such State from which one or more public water systems in the State receive supplies of drinking water, using all reasonably available hydrogeologic information on the sources of the supply of drinking water in the State and the water flow, recharge, and discharge and any other reliable information as the State deems necessary to adequately determine such areas; and*

*''(B) identify for contaminants regulated under this title for which monitoring is required under this title (or any unregulated contaminants selected by the State in its discretion which the State, for the purposes of this subsection, has determined may present a threat to public health), to the extent practical, the origins within each delineated area of such contaminants to determine the susceptibility of the public water systems in the delineated area to such contaminants.*

*''(3) APPROVAL, IMPLEMENTATION, AND MONITORING RELIEF.—A State source water assessment program under this subsection shall be submitted to the Administrator within 18 months after the Administrator's guidance is issued under this subsection and shall be deemed approved 9 months after the date of such submittal unless the Administrator disapproves the program as provided in subsection (c). States shall begin implementation of the program immediately after its approval. The Administrator's approval of a State program under this subsection shall include a timetable, established in consultation with the State, allowing not more than 2 years for completion after approval of the program. Public water systems seeking monitoring relief in addition to the interim relief provided under section 1418(a) shall be eligible for monitoring relief, consistent with section 1418(b), upon completion of the assessment in the delineated source water assessment area or areas concerned.*

*''(4) TIMETABLE.—The timetable referred to in paragraph (3) shall take into consideration the availability to the State of funds under section 1452 (relating to State Revolving Funds) for assessments and other relevant factors. The Administrator may extend any timetable included in a State program approved under paragraph (3) to extend the period for completion by an additional 18 months. Compliance with subsection (g) shall not affect any State permanent monitoring flexibility program approved under section 1418(b).*

*''(5) DEMONSTRATION PROJECT.—The Administrator shall, as soon as practicable, conduct a demonstration project, in consultation with other Federal agencies, to demonstrate the most effective and protective means of assessing and protecting source waters serving large metropolitan areas and located on Federal lands.*

*''(6) USE OF OTHER PROGRAMS.—To avoid duplication and to encourage efficiency, the program under this section shall, to the extent practicable, be coordinated with other existing programs and mechanisms, and may make use of any of the following:*

*''(A) Vulnerability assessments, sanitary surveys, and monitoring programs.*

*''(B) Delineations or assessments of ground water sources under a State wellhead protection program developed pursuant to this section.*

*''(C) Delineations or assessments of surface or ground water sources under a State pesticide management plan developed pursuant to the Pesticide and Ground Water State Management Plan Regulation (subparts I and J of part 152 of title 40, Code of Federal Regulations), promulgated under section 3(d) of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136a(d)).*

*''(D) Delineations or assessments of surface water sources under a State watershed initiative or to satisfy the watershed criterion for determining if filtration is required under the Surface Water Treatment Rule (section 141.70 of title 40, Code of Federal Regulations).*

*''(7) PUBLIC AVAILABILITY.—The State shall make the results of the source water assessments conducted under this subsection available to the public.''.*

*(b) APPROVAL AND DISAPPROVAL OF STATE PROGRAMS.—Section 1428 is amended as follows:*

*(1) Amend the first sentence of subsection (c)(1) to read as follows: ''If, in the judgment of the Administrator, a State program or portion thereof under subsection (a) is not adequate to protect public water systems as required by subsection (a) or a State program under subsection (l) or section 1418(b) does not meet the applicable requirements of subsection (l) or section 1418(b), the Administrator shall disapprove such program or portion thereof.''.*

*(2) Add after the second sentence of subsection (c)(1) the following: ''A State program developed pursuant to subsection (l) or section 1418(b) shall be deemed to meet the applicable requirements of subsection (l) or section 1418(b) unless the Administrator determines within 9 months of the receipt of the program that such program (or portion thereof) does not meet such requirements.''.*

*(3) In the third sentence of subsection (c)(1) and in subsection (c)(2) strike ''is inadequate'' and insert ''is disapproved''.*

*(4) In subsection (b), add the following before the period at the end of the first sentence: ''and source water assessment programs under subsection (l)''.*

*(5) In subsection (g)—*

*(A) insert after ''under this section'' the following: ''and the State source water assessment programs under subsection (l) for which the State uses grants under section 1452 (relating to State Revolving Funds)''; and*

*(B) strike ''Such'' in the last sentence and inserting ''In the case of wellhead protection programs, such''.*

***SEC. 202. FEDERAL FACILITIES.***

*(a) IN GENERAL.—Part C (42 U.S.C. 300h et seq.) is amended by adding at the end thereof the following new section:*

***''SEC. 1429. FEDERAL FACILITIES.***

*''(a) IN GENERAL.—Each department, agency, and instrumentality of the executive, legislative, and judicial branches of the Federal Government—*

*''(1) owning or operating any facility in a wellhead protection area,*

*''(2) engaged in any activity at such facility resulting, or which may result, in the contamination of water supplies in any such area, or*

*''(3) owning or operating any public water system,*

*shall be subject to, and comply with, all Federal, State, interstate, and local requirements, both substantive and procedural (including any requirement for permits or reporting or any provisions for injunctive relief and such sanctions as may be imposed by a court to enforce such relief), respecting the protection of such wellhead areas and respecting such public water systems in the same manner and to the same extent as any person is subject to such requirements, including the payment of reasonable service charges. The Federal, State, interstate, and local substantive and procedural requirements referred to in this subsection include, but are not limited to, all administrative orders and all civil and administrative penalties and fines, regardless of whether such penalties or fines are punitive or coercive in nature or are imposed for isolated, intermittent, or continuing violations. The United States hereby expressly waives any immunity otherwise applicable to the United States with respect to any such substantive or procedural requirement (including, but not limited to, any injunctive relief, administrative order or civil or administrative penalty or fine referred to in the preceding sentence, or reasonable service charge). The reasonable service charges referred to in this subsection include, but are not limited to, fees or charges assessed in connection with the processing and issuance of permits, renewal of permits, amendments to permits, review of plans, studies, and other documents, and inspection and monitoring of facilities, as well as any other nondiscriminatory charges that are assessed in connection with a Federal, State, interstate, or local regulatory program respecting the protection of wellhead areas or public water systems. Neither the United States, nor any agent, employee, or officer thereof, shall be immune or exempt from any process or sanction of any State or Federal Court with respect to the enforcement of any such injunctive relief. No agent, employee, or officer of the United States shall be personally liable for any civil penalty under any Federal, State, interstate, or local law concerning the protection of wellhead areas or public water systems with respect to any act or omission within the scope of the official duties of the agent, employee, or officer. An agent, employee, or officer of the United States shall be subject to any criminal sanction (including, but not limited to, any fine or imprisonment) under any Federal or State requirement adopted pursuant to this title, but no department, agency, or instrumentality of the executive, legislative, or judicial branch of the Federal Government shall be subject to any such sanction. The President may exempt any facility of any department, agency, or instrumentality in the executive branch from compliance with such a requirement if he determines it to be in the paramount interest of the United States to do so. No such exemption shall be granted due to lack of appropriation unless the President shall have specifically requested such appropriation as a part of the budgetary process and the Congress shall have failed to make available such requested appropriation. Any exemption shall be for a period not in excess of 1 year, but additional exemptions may be granted for periods not to exceed 1 year upon the President's making a new determination. The President shall report each January to the Congress all exemptions from the requirements of this section granted during the preceding calendar year, together with his reason for granting each such exemption.*

*''(b) ADMINISTRATIVE PENALTY ORDERS.—*

*''(1) IN GENERAL.—If the Administrator finds that a Federal agency has violated an applicable requirement under this title, the Administrator may issue a penalty order assessing a penalty against the Federal agency.*

*''(2) PENALTIES.—The Administrator may, after notice to the agency, assess a civil penalty against the agency in an amount not to exceed $25,000 per day per violation.*

*''(3) PROCEDURE.—Before an administrative penalty order issued under this subsection becomes final, the Administrator shall provide the agency an opportunity to confer with the Administrator and shall provide the agency notice and an opportunity for a hearing on the record in accordance with chapters 5 and 7 of title 5, United States Code.*

*''(4) PUBLIC REVIEW.—*

*''(A) IN GENERAL.—Any interested person may obtain review of an administrative penalty order issued under this subsection. The review may be obtained in the United States District Court for the District of Columbia or in the United States District Court for the district in which the violation is alleged to have occurred by the filing of a complaint with the court within the 30-day period beginning on the date the penalty order becomes final. The person filing the complaint shall simultaneously send a copy of the complaint by certified mail to the Administrator and the Attorney General.*

*''(B) RECORD.—The Administrator shall promptly file in the court a certified copy of the record on which the order was issued.*

*''(C) STANDARD OF REVIEW.—The court shall not set aside or remand the order unless the court finds that there is not substantial evidence in the record, taken as a whole, to support the finding of a violation or that the assessment of the penalty by the Administrator constitutes an abuse of discretion.*

*''(D) PROHIBITION ON ADDITIONAL PENALTIES.—The court may not impose an additional civil penalty for a violation that is subject to the order unless the court finds that the assessment constitutes an abuse of discretion by the Administrator.*

*''(c) LIMITATION ON STATE USE OF FUNDS COLLECTED FROM FEDERAL GOVERNMENT.—Unless a State law in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 or a State constitution requires the funds to be used in a different manner, all funds collected by a State from the Federal Government from penalties and fines imposed for violation of any substantive or procedural requirement referred to in subsection (a) shall be used by the State only for projects designed to improve or protect the environment or to defray the costs of environmental protection or enforcement.''.*

*(b) CITIZEN ENFORCEMENT.—(1) The first sentence of section 1449(a) (42 U.S.C. 300j–8(a)) is amended—*

*(A) in paragraph (1), by striking '', or'' and inserting a semicolon;*

*(B) in paragraph (2), by striking the period at the end and inserting ''; or''; and*

*(C) by adding at the end the following:*

*''(3) for the collection of a penalty by the United States Government (and associated costs and interest) against any Federal agency that fails, by the date that is 18 months after the effective date of a final order to pay a penalty assessed by the Administrator under section 1429(b), to pay the penalty.''.*

*(2) Subsection (b) of section 1449 (42 U.S.C. 300j–8(b)) is amended, by striking the period at the end of paragraph (2) and inserting ''; or'' and by adding the following new paragraph after paragraph (2):*

*''(3) under subsection (a)(3) prior to 60 days after the plaintiff has given notice of such action to the Attorney General and to the Federal agency.''.*

*(c) CONFORMING AMENDMENTS.—Section 1447 (42 U.S.C. 300j–6) is amended as follows:*

*(1) In subsection (a):*

*(A) In the first sentence, by striking ''(1) having jurisdiction over any federally owned or maintained public water system or (2)''.*

*(B) In the first sentence, by striking out ''respecting the provision of safe drinking water and''.*

*(C) In the second sentence, by striking ''(A)'', ''(B)'', and ''(C)'' and inserting ''(1)'', ''(2)'', and ''(3)'', respectively.*

*(2) In subsection (c), by striking ''the Safe Drinking Water Amendments of 1977'' and inserting ''this title'' and by striking ''this Act'' and inserting ''this title''.*

## *TITLE III—GENERAL PROVISIONS REGARDING SAFE DRINKING WATER ACT*

***SEC. 301. OPERATOR CERTIFICATION.***

*Section 1442 is amended by adding the following after subsection (e):*

*''(f) MINIMUM STANDARDS.—(1) Not later than 30 months after the date of enactment of the Safe Drinking Water Act Amendments of 1996 and after consultation with States exercising primary enforcement responsibility for public water systems, the Administrator shall promulgate regulations specifying minimum standards for certification (and recertification) of the operators of community and nontransient noncommunity public water systems. Such regulations shall take into account existing State programs, the complexity of the system and other factors aimed at providing an effective program at reasonable cost to States and public water systems, taking into account the size of the system.*

*''(2) Any State exercising primary enforcement responsibility for public water systems shall adopt and implement, within 2 years after the promulgation of regulations pursuant to paragraph (1), requirements for the certification of operators of community and nontransient noncommunity public water systems.*

*''(3) For any State exercising primary enforcement responsibility for public water systems which has an operator certification program in effect on the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the regulations under paragraph (1) shall allow the State to enforce such program in lieu of the regulations under paragraph (1) if the State submits the program to the Administrator within 18 months after the promulgation of such regulations unless the Administrator determines (within 9 months after the State submits the program to the Administrator) that such program is not substantially equivalent to such regulations. In making this determination, such existing State programs shall be presumed to be substantially equivalent to the regulations, notwithstanding program differences, based on the size of systems or the quality of source water, providing State programs meet overall public health objectives of the regulations. If disapproved the program may be resubmitted within 6 months after receipt of notice of disapproval.''.*

***SEC. 302. TECHNICAL ASSISTANCE.***

*Section 1442(e) (42 U.S.C. 300j–1(e)), relating to technical assistance for small systems, is amended to read as follows:*

*''(e) TECHNICAL ASSISTANCE.—The Administrator may provide technical assistance to small public water systems to enable such systems to achieve and maintain compliance with applicable national primary drinking water regulations. Such assistance may include circuit-rider programs, training, and preliminary engineering evaluations. There is authorized to be appropriated to the Administrator to be used for such technical assistance $15,000,000 for fiscal years*

*1997 through 2003. No portion of any State revolving fund established under section 1452 (relating to State revolving funds) and no portion of any funds made available under this subsection may be used either directly or indirectly for lobbying expenses. Of the total amount appropriated under this subsection, 3 percent shall be used for technical assistance to public water systems owned or operated by Indian tribes.''.*

***SEC. 303. PUBLIC WATER SYSTEM SUPERVISION PROGRAM.***

*Section 1443(a) (42 U.S.C. 300j–2(a)) is amended as follows:*

*(1) Paragraph (7) is amended to read as follows:*

*''(7) AUTHORIZATION.—FOR THE PURPOSE of making grants under paragraph (1), there are authorized to be appropriated $100,000,000 for each of fiscal years 1997 through 2003.''.*

*(2) By adding at the end the following:*

*''(8) RESERVATION OF FUNDS BY THE ADMINISTRATOR.—If the Administrator assumes the primary enforcement responsibility of a State public water system supervision program, the Administrator may reserve from funds made available pursuant to this subsection, an amount equal to the amount that would otherwise have been provided to the State pursuant to this subsection. The Administrator shall use the funds reserved pursuant to this paragraph to ensure the full and effective administration of a public water system supervision program in the State.*

*''(9) STATE LOAN FUNDS.—For any fiscal year for which the amount made available to the Administrator by appropriations to carry out this subsection is less than the amount that the Administrator determines is necessary to supplement funds made available pursuant to paragraph (8) to ensure the full and effective administration of a public water system supervision program in a State, the Administrator may reserve from the funds made available to the State under section 1452 (relating to State revolving funds) an amount that is equal to the amount of the shortfall. This paragraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Amendments of 1996.''.*

***SEC. 304. MONITORING AND INFORMATION GATHERING.***

*(a) REVIEW OF EXISTING REQUIREMENTS.—Paragraph (1) of section 1445(a) (42 U.S.C. 300j–4(a)(1)) is amended to read as follows:*

*''(1)(A) Every person who is subject to any requirement of this title or who is a grantee, shall establish and maintain such records, make such reports, conduct such monitoring, and provide such information as the Administrator may reasonably require by regulation to assist the Administrator in establishing regulations under this title, in determining whether such person has acted or is acting in compliance with this title, in administering any program of financial assistance under this title, in evaluating the health risks of unregulated contaminants, or in advising the public of such risks. In requiring a public water system to monitor under this subsection, the Administrator may take into consideration the system size and the contaminants likely to be found in the system's drinking water.*

*''(B) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require, after consultation with the State in which such person is located if such State has primary enforcement responsibility for public water systems, on a case-by-case basis, to determine whether such person has acted or is acting in compliance with this title.*

*''(C) Every person who is subject to a national primary drinking water regulation under section 1412 shall provide such information as the Administrator may reasonably require to assist the Administrator in establishing regulations under section 1412 of this title, after consultation with States and suppliers of water. The Administrator may not require under this subparagraph the installation of treatment equipment or process changes, the testing of treatment technology, or the analysis or processing of monitoring samples, except where the Administrator provides the funding for such activities. Before exercising this authority, the Administrator shall first seek to obtain the information by voluntary submission.*

*''(D) The Administrator shall not later than 2 years after the date of enactment of this sentence, after consultation with public health experts, representatives of the general public, and officials of State and local governments, review the monitoring requirements for not fewer than 12 contaminants identified by the Administrator, and promulgate any necessary modifications.''.*

*(b) MONITORING RELIEF.—Part B is amended by adding the following new section after section 1417:*

***"SEC. 1418. MONITORING OF CONTAMINANTS.***

*''(a) INTERIM MONITORING RELIEF AUTHORITY.—(1) A State exercising primary enforcement responsibility for public water systems may modify the monitoring requirements for any regulated or unregulated contaminants for which monitoring is required other than microbial contaminants (or indicators thereof), disinfectants and disinfection byproducts or corrosion byproducts for an interim period to provide that any public water system serving 10,000 persons or fewer shall not be required to conduct additional quarterly monitoring during an interim relief period for such contaminants if—*

*''(A) monitoring, conducted at the beginning of the period for the contaminant concerned and certified to the State by the public water system, fails to detect the presence of the contaminant in the ground or surface water supplying the public water system, and*

*''(B) the State, (considering the hydrogeology of the area and other relevant factors), determines in writing that the contaminant is unlikely to be detected by further monitoring during such period.*

*''(2) The interim relief period referred to in paragraph (1) shall terminate when permanent monitoring relief is adopted and approved for such State, or at the end of 36 months after the enactment of the Safe Drinking Water Act Amendments of 1996, whichever comes first. In order to serve as a basis for interim relief, the monitoring conducted at the beginning of the period must occur at the time determined by the State to be the time of the public water system's greatest vulnerability to the contaminant concerned in the relevant ground or surface water, taking into account in the case of pesticides the time of application of the pesticide for the source water area and the travel time for the pesticide to reach such waters and taking into account, in the case of other contaminants, seasonality of precipitation and contaminant travel time.*

*''(b) PERMANENT MONITORING RELIEF AUTHORITY.—(1) Each State exercising primary enforcement responsibility for public water systems under this title and having an approved wellhead protection program and a source water assessment program may adopt, in accordance with guidance published by the Administrator, and submit to the Administrator as provided in section 1428(c), tailored alternative monitoring requirements for public water systems in such State (as an alternative to the monitoring requirements for chemical contaminants set forth in the applicable national primary drinking water regulations) where the State concludes that (based on data available at the time of adoption concerning susceptibility, use, occurrence, wellhead protection, or from the State's drinking water source water assessment program) such alternative monitoring would provide assurance that it complies with the Administrator's guidelines. The State program must be adequate to assure compliance with, and enforcement of, applicable national primary drinking water regulations. Alternative monitoring shall not apply to regulated microbiological contaminants (or indicators thereof), disinfectants and disinfection by-products, or corrosion by-products. The preceding sentence is not intended to limit other authority of the Administrator under other provisions of this title to grant monitoring flexibility.*

*''(2)(A) The Administrator shall issue, after notice and comment and at the same time as guidelines are issued for source water assessment under section 1428(l), guidelines for States to follow in proposing alternative monitoring requirements under paragraph (1) of this subsection for chemical contaminants. The Administrator shall publish such guidelines in the Federal Register. The guidelines shall assure that the public health will be protected from drinking water contamination. The guidelines shall require that a State alternative monitoring program apply on a contaminant-by-contaminant basis and that, to be eligible for such alternative monitoring program, a public water system must show the State that the contaminant is not present in the drinking water supply or, if present, it is reliably and consistently below the maximum contaminant level.*

*''(B) For purposes of subparagraph (A), the phrase 'reliably and consistently below the maximum contaminant level' means that, although contaminants have been detected in a water supply, the State has sufficient knowledge of the contamination source and extent of contamination to predict that the maximum contaminant level will not be exceeded. In determining that a contaminant is reliably and consistently below the maximum contaminant level, States shall consider the quality and completeness of data, the length of time covered and the volatility or stability of monitoring results during that time, and the proximity of such results to the maximum contaminant level. Wide variations in the analytical results, or analytical results close to the maximum contaminant level, shall not be considered to be reliably and consistently below the maximum contaminant level.*

*''(3) The guidelines issued by the Administrator under paragraph (2) shall require that if, after the monitoring program is in effect and operating, a contaminant covered by the alternative monitoring program is detected at levels at or above the maximum contaminant level or is no longer reliably or consistently below the maximum contaminant level, the public water system must either—*

*''(A) demonstrate that the contamination source has been removed or that other action has been taken to eliminate the contamination problem, or*

*''(B) test for the detected contaminant pursuant to the applicable national primary drinking water regulation.*

*''(c) TREATMENT AS NPDWR.—All monitoring relief granted by a State to a public water system for a regulated contaminant under subsection (a) or (b) shall be treated as part of the national primary drinking water regulation for that contaminant.*

*''(d) OTHER MONITORING RELIEF.—Nothing in this section shall be construed to affect the authority of the States under applicable national primary drinking water regulations to alter monitoring requirements through waivers or other existing authorities. The Administrator shall periodically review and, as appropriate, revise such authorities.''.*

*(c) UNREGULATED CONTAMINANTS.—Section 1445(a) (42 U.S.C. 300j–4(a)) is amended by striking paragraphs (2) through (8) and inserting the following:*

*''(2) MONITORING PROGRAM FOR UNREGULATED CONTAMINANTS.—*

*''(A) ESTABLISHMENT.—The Administrator shall promulgate regulations establishing the criteria for a monitoring program for unregulated contaminants. The regulations shall require monitoring of drinking water supplied by*

*public water systems and shall vary the frequency and schedule for monitoring requirements for systems based on the number of persons served by the system, the source of supply, and the contaminants likely to be found.*

*''(B) MONITORING PROGRAM FOR CERTAIN UNREGULATED CONTAMINANTS.—*

*''(i) INITIAL LIST.—Not later than 3 years after the date of enactment of the Safe Drinking Water Amendments of 1996 and every 5 years thereafter, the Administrator shall issue a list pursuant to subparagraph (A) of not more than 40 unregulated contaminants to be monitored by public water systems and to be included in the national drinking water occurrence data base maintained pursuant to subsection (g).*

*''(ii) GOVERNORS' PETITION.—The Administrator shall include among the list of contaminants for which monitoring is required under this paragraph each contaminant recommended in a petition signed by the Governor of each of 7 or more States, unless the Administrator determines that the action would prevent the listing of other contaminants of a higher public health concern.*

*''(C) MONITORING PLAN FOR SMALL AND MEDIUM SYSTEMS.—*

*''(i) IN GENERAL.—Based on the regulations promulgated by the Administrator, each State shall develop a representative monitoring plan to assess the occurrence of unregulated contaminants in public water systems that serve a population of 10,000 or fewer. The plan shall require monitoring for systems representative of different sizes, types, and geographic locations in the State.*

*''(ii) GRANTS FOR SMALL SYSTEM COSTS.—From funds appropriated under subparagraph (H), the Administrator shall pay the reasonable cost of such testing and laboratory analysis as are necessary to carry out monitoring under the plan.*

*''(D) MONITORING RESULTS.—Each public water system that conducts monitoring of unregulated contaminants pursuant to this paragraph shall provide the results of the monitoring to the primary enforcement authority for the system.*

*''(E) NOTIFICATION.—Notification of the availability of the results of monitoring programs required under paragraph (2)(A) shall be given to the persons served by the system and the Administrator.*

*''(F) WAIVER OF MONITORING REQUIREMENT.—The Administrator shall waive the requirement for monitoring for a contaminant under this paragraph in a State, if the State demonstrates that the criteria for listing the contaminant do not apply in that State.*

*''(G) ANALYTICAL METHODS.—The State may use screening methods approved by the Administrator under subsection (i) in lieu of monitoring for particular contaminants under this paragraph.*

*''(H) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this paragraph $10,000,000 for each of the fiscal years 1997 through 2003.''.*

*(d) SCREENING METHODS.—Section 1445 (42 U.S.C. 300j–4) is amended by adding the following after subsection (h):*

*''(i) SCREENING METHODS.—The Administrator shall review new analytical methods to screen for regulated contaminants and may approve such methods as are more accurate or cost-effective than established reference methods for use in compliance monitoring.''.*

***SEC. 305. OCCURRENCE DATA BASE.***

*Section 1445 is amended by adding the following new subsection after subsection (f):*

*''(g) NATIONAL DRINKING WATER OCCURRENCE DATA BASE.—*

*''(1) IN GENERAL.—Not later than 3 years after the date of enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall assemble and maintain a national drinking water occurrence data base, using information on the occurrence of both regulated and unregulated contaminants in public water systems obtained under subsection (a)(1)(A) or subsection (a)(2) and reliable information from other public and private sources.*

*''(2) PUBLIC INPUT.—In establishing the occurrence data base, the Administrator shall solicit recommendations from the Science Advisory Board, the States, and other interested parties concerning the development and maintenance of a national drinking water occurrence data base, including such issues as the structure and design of the data base, data input parameters and requirements, and the use and interpretation of data.*

*''(3) USE.—The data shall be used by the Administrator in making determinations under section 1412(b)(3) with respect to the occurrence of a contaminant in drinking water at a level of public health concern.*

*''(4) PUBLIC RECOMMENDATIONS.—The Administrator shall periodically solicit recommendations from the appropriate officials of the National Academy of Sciences and the States, and any person may submit recommendations to the Administrator, with respect to contaminants that should be included in the national drinking water occurrence data base, including recommendations with respect to additional unregulated contaminants that should be listed under subsection (a)(2). Any recommendation submitted under this clause shall be accompanied by reasonable documentation that—*

*''(A) the contaminant occurs or is likely to occur in drinking water; and*

*''(B) the contaminant poses a risk to public health.*

*''(5) PUBLIC AVAILABILITY.—The information from the data base shall be available to the public in readily accessible form.*

*''(6) REGULATED CONTAMINANTS.—With respect to each contaminant for which a national primary drinking water regulation has been established, the data base shall include information on the detection of the contaminant at a quantifiable level in public water systems (including detection of the contaminant at levels not constituting a violation of the maximum contaminant level for the contaminant).*

*''(7) UNREGULATED CONTAMINANTS.—With respect to contaminants for which a national primary drinking water regulation has not been established, the data base shall include—*

*''(A) monitoring information collected by public water systems that serve a population of more than 3,300, as required by the Administrator under subsection (a);*

*''(B) monitoring information collected by the States from a representative sampling of public water systems that serve a population of 3,300 or fewer; and*

*''(C) other reliable and appropriate monitoring information on the occurrence of the contaminants in public water systems that is available to the Administrator.''.*

***SEC. 306. CITIZENS SUITS.***

*Section 1449 (42 U.S.C. 300j-8) is amended by inserting '', or a State'' after ''prosecuting a civil action in a court of the United States'' in subsection (b)(1)(B).*

***SEC. 307. WHISTLE BLOWER.***

*(a) WHISTLE BLOWER.—Section 1450(i) is amended as follows:*

*(1) Amend paragraph (2)(A) by striking ''30 days'' and inserting ''180 days'' and by inserting before the period at the end ''and the Environmental Protection Agency''.*

*(2) Amend paragraph (2)(B)(i) by inserting before the last sentence the following: ''Upon conclusion of such hearing and the issuance of a recommended decision that the complaint has merit, the Secretary shall issue a preliminary order providing the relief prescribed in clause (ii), but may not order compensatory damages pending a final order.''.*

*(3) Amend paragraph (2)(B)(ii) by inserting ''and'' before ''(III)'' and by striking ''compensatory damages, and (IV) where appropriate, exemplary damages'' and inserting ''and the Secretary may order such person to provide compensatory damages to the complainant''.*

*(4) Redesignate paragraphs (3), (4), (5), and (6) as paragraphs (4), (5), (6), and (7), respectively, and insert after paragraph (2) the following:*

*''(3)(A) The Secretary shall dismiss a complaint filed under paragraph (1), and shall not conduct the investigation required under paragraph (2), unless the complainant has made a prima facie showing that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.*

*''(B) Notwithstanding a finding by the Secretary that the complaint has made the showing required by paragraph (1)(A), no investigation required under paragraph (2) shall be conducted if the employer demonstrates, by clear and convincing evidence, that it would have taken the same unfavorable personnel action in the absence of such behavior.*

*''(C) The Secretary may determine that a violation of paragraph (1) has occurred only if the complainant has demonstrated that any behavior described in subparagraphs (A) through (C) of paragraph (1) was a contributing factor in the unfavorable personnel action alleged in the complaint.*

*''(D) Relief may not be ordered under paragraph (2) if the employer demonstrates clear and convincing evidence that it would have taken the same unfavorable personnel action in the absence of such behavior.''.*

*(5) Add at the end the following:*

*''(8) This subsection may not be construed to expand, diminish, or otherwise affect any right otherwise available to an employee under Federal or State law to reduce the employee's discharge or other discriminatory action taken by the employer against the employee. The provisions of this subsection shall be prominently posted in any place of employment to which this subsection applies.''.*

*(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to claims filed under section 1450(i) of the Public Health Service Act on or after the date of the enactment of this Act.*

***SEC. 308. STATE REVOLVING FUNDS.***

*Part E (42 U.S.C. 300j et seq.) is amended by adding the following new section after section 1451:*

***''SEC. 1452. STATE REVOLVING FUNDS.***

*''(a) GENERAL AUTHORITY.—*

*''(1) GRANTS TO STATES TO ESTABLISH REVOLVING FUNDS.—(A) The Administrator shall enter into agreements with eligible States to make capitalization grants, including letters of credit, to the States under this subsection solely to further the health protection objectives of this title, promote the efficient use of fund resources, and for such other purposes as are specified in this title.*

*''(B) To be eligible to receive a capitalization grant under this section, a State shall establish a drinking water treatment revolving loan fund and comply with the other requirements of this section.*

*''(C) Such a grant to a State shall be deposited in the drinking water treatment revolving fund established by the State, except as otherwise provided in this section and in other provisions of this title. No funds authorized by other provisions of this title to be used for other purposes specified in this title shall be deposited in any State revolving fund.*

*''(D) Such a grant to a State shall be available to the State for obligation during the fiscal year for which the funds are authorized and during the following fiscal year, except that grants made available from funds provided in Public Law 103–327, Public Law 103–124, and Public Law 104–134 shall be available for obligation during each of the fiscal years 1997 and 1998.*

''(E) Except as otherwise provided in this section, funds made available to carry out this part shall be allotted to States that have entered into an agreement pursuant to this section in accordance with—

''(i) for each of fiscal years 1995 through 1997, a formula that is the same as the formula used to distribute public water system supervision grant funds under section 1443 in fiscal year 1995, except that the minimum proportionate share established in the formula shall be 1 percent of available funds and the formula shall be adjusted to include a minimum proportionate share for the State of Wyoming; and

''(ii) for fiscal year 1998 and each subsequent fiscal year, a formula that allocates to each State the proportional share of the State needs identified in the most recent survey conducted pursuant to section 1452(h), except that the minimum proportionate share provided to each State shall be the same as the minimum proportionate share provided under clause (i).

''(F) Such grants not obligated by the last day of the period for which the grants are available shall be reallotted according to the appropriate criteria set forth in subparagraph (E).

''(G) The State allotment for a State not exercising primary enforcement responsibility for public water systems shall not be deposited in any such fund but shall be allotted by the Administrator as follows: 20 percent of such allotment shall be available to the Administrator as needed to exercise primary enforcement responsibility under this title in such State and the remainder shall be reallotted to States exercising primary enforcement responsibility for public water systems for deposit in such funds. Whenever the Administrator makes a final determination pursuant to section 1413(b) that the requirements of section 1413(a) are no longer being met by a State, additional grants for such State under this title shall be immediately terminated by the Administrator. This subparagraph shall not apply to any State not exercising primary enforcement responsibility for public water systems as of the date of enactment of the Safe Drinking Water Act Amendments of 1996.

''(H)(i) Beginning in fiscal year 1999, the Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section to a State if the State has not met the requirements of section 1419 (relating to capacity development).

''(ii) The Administrator shall withhold 20 percent of each capitalization grant made pursuant to this section if the State has not met the requirements of subsection (f) of section 1442 (relating to operator certification).

''(iii) All funds withheld by the Administrator pursuant to clause (i) shall be reallotted by the Administrator on the basis of the same ratio as is applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of section 1419 (relating to capacity development).

''(iv) All funds withheld by the Administrator pursuant to clause (ii) shall be reallotted by the Administrator on the basis of the same ratio as applicable to funds allotted under subparagraph (E). None of the funds reallotted by the Administrator pursuant to this paragraph shall be allotted to a State unless the State has met the requirements of subsection (f) of section 1442 (relating to operator certification).

''(2) USE OF FUNDS.—Except as otherwise authorized by this title, amounts deposited in such revolving funds, including loan repayments and interest earned on such amounts, shall be used only for providing loans, loan guarantees, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in a State revolving fund established under paragraph (1), or other financial assistance authorized under this section to community water systems and nonprofit noncommunity water systems, other than systems owned by Federal agencies. Such financial assistance may be used by a public water system only for expenditures (not including monitoring, operation, and maintenance expenditures) of a type or category which the Administrator has determined, through guidance, will facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Such funds may also be used to provide loans to a system referred to in section 1401(4)(B) for the purpose of providing the treatment described in section 1401(4)(B)(i)(III). Such funds shall not be used for the acquisition of real property or interests therein, unless such acquisition is integral to a project authorized by this paragraph and the purchase is from a willing seller. Of the amount credited to any revolving fund established under this section in any fiscal year, 15 percent shall be available solely for providing loan assistance to public water systems which regularly serve fewer than 10,000 persons.

''(3) LIMITATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), no assistance under this part shall be provided to a public water system that—

''(i) does not have the technical, managerial, and financial capability to ensure compliance with the requirements of this title; or

''(ii) is in significant noncompliance with any requirement of a national primary drinking water regulation or variance.

''(B) RESTRUCTURING.—A public water system described in subparagraph (A) may receive assistance under this part if—

''(i) the owner or operator of the system agrees to undertake feasible and appropriate changes in operations (including ownership, management, accounting, rates, maintenance, consolidation, alternative water supply, or other procedures) if the State determines that such measures are necessary to ensure that the system has the technical, managerial, and financial capability to comply with the requirements of this title over the long term; and

''(ii) the use of the assistance will ensure compliance.

''(b) INTENDED USE PLANS.—

''(1) IN GENERAL.—After providing for public review and comment, each State that has entered into a capitalization agreement pursuant to this part shall annually prepare a plan that identifies the intended uses of the amounts available to the State loan fund of the State.

''(2) CONTENTS.—An intended use plan shall include—

''(A) a list of the projects to be assisted in the first fiscal year that begins after the date of the plan, including a description of the project, the expected terms of financial assistance, and the size of the community served;

''(B) the criteria and methods established for the distribution of funds; and

''(C) a description of the financial status of the State loan fund and the short-term and long-term goals of the State loan fund.

''(3) USE OF FUNDS.—

''(A) IN GENERAL.—An intended use plan shall provide, to the maximum extent practicable, that priority for the use of funds be given to projects that—

''(i) address the most serious risk to human health;

''(ii) are necessary to ensure compliance with the requirements of this title (including requirements for filtration); and

''(iii) assist systems most in need on a per household basis according to State affordability criteria.

''(B) LIST OF PROJECTS.—Each State shall, after notice and opportunity for public comment, publish and periodically update a list of projects in the State that are eligible for assistance under this part, including the priority assigned to each project and, to the extent known, the expected funding schedule for each project.

''(c) FUND MANAGEMENT.—Each State revolving fund under this section shall be established, maintained, and credited with repayments and interest. The fund corpus shall be available in perpetuity for providing financial assistance under this section. To the extent amounts in each such fund are not required for current obligation or expenditure, such amounts shall be invested in interest bearing obligations.

''(d) ASSISTANCE FOR DISADVANTAGED COMMUNITIES.—

''(1) LOAN SUBSIDY.—Notwithstanding any other provision of this section, in any case in which the State makes a loan pursuant to subsection (a)(2) to a disadvantaged community or to a community that the State expects to become a disadvantaged community as the result of a proposed project, the State may provide additional subsidization (including forgiveness of principal).

''(2) TOTAL AMOUNT OF SUBSIDIES.—For each fiscal year, the total amount of loan subsidies made by a State pursuant to paragraph (1) may not exceed 30 percent of the amount of the capitalization grant received by the State for the year.

''(3) DEFINITION OF DISADVANTAGED COMMUNITY.—In this subsection, the term 'disadvantaged community' means the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located. The Administrator may publish information to assist States in establishing affordability criteria.

''(e) STATE CONTRIBUTION.—Each agreement under subsection (a) shall require that the State deposit in the State revolving fund from State moneys an amount equal to at least 20 percent of the total amount of the grant to be made to the State on or before the date on which the grant payment is made to the State, except that a State shall not be required to deposit such amount into the fund prior to the date on which each grant payment is made for fiscal years 1994, 1995, 1996, and 1997 if such State deposits the State contribution amount into the State fund prior to September 30, 1998.

''(f) COMBINED FINANCIAL ADMINISTRATION.—Notwithstanding subsection (c), a State may (as a convenience and to avoid unnecessary administrative costs) combine, in accordance with State law, the financial administration of a revolving fund established under this section with the financial administration of any other revolving fund established by the State if otherwise not prohibited by the law under which such revolving fund was established and if the Administrator determines that—

''(1) the grants under this section, together with loan repayments and interest, will be separately accounted for and used solely for the purposes specified in this section; and

''(2) the authority to establish assistance priorities and carry out oversight and related activities (other than financial administration) with respect to such assistance remains with the State agency having primary responsibility for administration of the State program under section 1413.

''(g) ADMINISTRATION.—(1) Each State may annually use up to 4 percent of the funds allotted to the State under this section to cover the reasonable costs of administration of the programs under this section, including the recovery of reasonable costs expended to establish such a fund which are incurred after the date of enactment of this section, and to provide technical assistance to public water systems within the State. For fiscal year 1995 and each fiscal year thereafter, each State with primary enforcement responsibility for public water systems within that State may use up to an additional 10 percent of the funds allotted to the State under this section—

''(A) for public water system supervision programs which receive grants under section 1443(a);

''(B) to administer or provide technical assistance through source water protection programs;

''(C) to develop and implement a capacity development strategy under section 1419(c); and

''(D) for an operator certification program for purposes of meeting the requirements of section 1442(f),

if the State matches such expenditures with at least an equal amount of State funds. At least half of such match must be additional to the amount expended by the State for public water supervision in fiscal year 1993. An additional 1 percent of the funds annually allotted to the State under this section shall be used by each State to provide technical assistance to public water systems in such State. Funds utilized under section 1452(g)(1)(B) shall not be used for enforcement actions or for purposes which do not facilitate compliance with national primary drinking water regulations or otherwise significantly further the health protection objectives of this title.

''(2) The Administrator shall publish such guidance and promulgate such regulations as may be necessary to carry out the provisions of this section, including—

''(A) provisions to ensure that each State commits and expends funds allotted to the State under this section as efficiently as possible in accordance with this title and applicable State laws,

''(B) guidance to prevent waste, fraud, and abuse, and

''(C) guidance to avoid the use of funds made available under this section to finance the expansion of any public water system in anticipation of future population growth.

Such guidance and regulations shall also insure that the States, and public water systems receiving assistance under this section, use accounting, audit, and fiscal procedures that conform to generally accepted accounting standards.

''(3) Each State administering a revolving fund and assistance program under this subsection shall publish and submit to the Administrator a report every 2 years on its activities under this subsection, including the findings of the most recent audit of the fund and the entire State allotment. The Administrator shall periodically audit all revolving funds established by, and all other amounts allotted to, the States pursuant to this subsection in accordance with procedures established by the Comptroller General.

''(h) NEEDS SURVEY.—The Administrator shall conduct an assessment of water system capital improvements needs of all eligible public water systems in the United States and submit a report to the Congress containing the results of such assessment within 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and every 4 years thereafter.

''(i) INDIAN TRIBES.—1½ percent of the amounts appropriated annually to carry out this section may be used by the Administrator to make grants to Indian Tribes and Alaskan Native Villages which are not otherwise eligible to receive either grants from the Administrator under this section or assistance from State revolving funds established under this section. Such grants may only be used for expenditures by such tribes and villages for public water system expenditures referred to in subsection (a)(2).

''(j) OTHER AREAS.—Of the funds annually available under this section for grants to States, the Administrator shall make allotments in accordance with section 1443(a)(4) for the District of Columbia, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, Guam, and the Republic of Palau. The grants allotted as provided in this subsection may be provided by the Administrator to the governments of such areas, to public water systems in such areas, or to both, to be used for the public water system expenditures referred to in subsection (a)(2). Such grants shall not be deposited in revolving funds. The total allotment of grants under this section for all areas described in this paragraph in any fiscal year shall not exceed 1 percent of the aggregate amount made available to carry out this section in that fiscal year.

''(k) SET-ASIDES.—

''(1) IN GENERAL.—Notwithstanding subsection (a)(2), a State may take each of the following actions:

''(A) Provide assistance, only in the form of a loan to one or both of the following:

''(i) Any public water system described in subsection (a)(2) to acquire land or a conservation easement from a willing seller or grantor, if the purpose of the acquisition is to protect the source water of the system from contamination and to ensure compliance with national primary drinking water regulations.

''(ii) Any community water system to implement local, voluntary source water protection measures to protect source water in areas delineated pursuant to section 1428(l), in order to facilitate compliance with national primary drinking water regulations applicable to such system under section 1412 or otherwise significantly further the health protection objectives of this title. Funds authorized under this clause may be used to fund only voluntary, incentive-based mechanisms.

''(B) Provide assistance, including technical and financial assistance, to any public water system as part of a capacity development strategy developed and implemented in accordance with section 1419(c).

''(C) Make expenditures from the capitalization grant of the State for fiscal years 1996 and 1997 to delineate and assess source water protection areas in accordance with section 1428(l), except that funds set aside for such expenditure shall be obligated within 4 fiscal years.

''(D) Make expenditures from the fund for the establishment and implementation of wellhead protection programs under section 1428.

''(2) LIMITATION.—For each fiscal year, the total amount of assistance provided and expenditures made by a State under this subsection may not exceed 15 percent of the amount of the capitalization grant received by the State for that year and may not exceed 10 percent of that amount for any one of the following activities:

''(A) To acquire land or conservation easements pursuant to paragraph (1)(A)(i).

''(B) To provide funding to implement voluntary, incentive-based source water quality protection measures pursuant to paragraph (1)(A)(ii).

''(C) To provide assistance through a capacity development strategy pursuant to paragraph (1)(B).

''(D) To make expenditures to delineate or assess source water protection areas pursuant to paragraph (1)(C).

''(E) To make expenditures to establish and implement wellhead protection programs pursuant to paragraph (1)(D).

''(3) STATUTORY CONSTRUCTION.—Nothing in this section creates or conveys any new authority to a State, political subdivision of a State, or community water system for any new regulatory measure, or limits any authority of a State, political subdivision of a State or community water system.

''(l) SAVINGS.—The failure or inability of any public water system to receive funds under this section or any other loan or grant program, or any delay in obtaining the funds, shall not alter the obligation of the system to comply in a timely manner with all applicable drinking water standards and requirements of this title.

''(m) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out the purposes of this section $599,000,000 for the fiscal year 1994 and $1,000,000,000 for each of the fiscal years 1995 through 2003. Sums shall remain available until expended.

''(n) HEALTH EFFECTS STUDIES.—From funds appropriated pursuant to this section for each fiscal year, the Administrator shall reserve $10,000,000 for health effects studies on drinking water contaminants authorized by the Safe Drinking Water Act Amendments of 1996. In allocating funds made available under this subsection, the Administrator shall give priority to studies concerning the health effects of cryptosporidium, disinfection byproducts, and arsenic, and the implementation of a plan for studies of subpopulations at greater risk of adverse effects.

''(o) DEMONSTRATION PROJECT FOR STATE OF VIRGINIA.—Notwithstanding the other provisions of this subsection limiting the use of funds deposited in a State revolving fund from any State allotment, the State of Virginia may, as a single demonstration and with the approval of the Virginia General Assembly and the Administrator, conduct a program to demonstrate alternative approaches to intergovernmental coordination to assist in the financing of new drinking water facilities in the following rural communities in southwestern Virginia where none exists on the date of the enactment of the Safe Drinking Water Act Amendments of 1996 and where such communities are experiencing economic hardship: Lee County, Wise County, Scott County, Dickenson County, Russell County, Buchanan County, Tazewell County, and the city of Norton, Virginia. The funds allotted to that State and deposited in the State revolving fund may be loaned to a regional endowment fund for the purpose set forth in this paragraph under a plan to be approved by the Administrator. The plan may include an advisory group that includes representatives of such counties.

''(p) SMALL SYSTEM TECHNICAL ASSISTANCE.—The Administrator may reserve up to 2 percent of the total funds appropriated pursuant to subsection (m) for each of the fiscal years 1997 through 2003 to carry out the provisions of section 1442(e), relating to technical assistance for small systems.''.

**SEC. 309. WATER CONSERVATION PLAN.**

Part E is amended by adding at the end the following:

**''SEC. 1453. WATER CONSERVATION PLAN.**

''(a) GUIDELINES.—Not later than 2 years after the date of the enactment of the Safe Drinking Water Act Amendments of 1996, the Administrator shall publish in the Federal Register guidelines for water conservation plans for public water systems serving fewer than 3,300 persons, public water systems serving between 3,300 and 10,000 persons, and public water systems serving more than 10,000 persons, taking into consideration such factors as water availability and climate.

''(b) SRF LOANS OR GRANTS.—Within 1 year after publication of the guidelines under subsection (a), a State exercising primary enforcement responsibility for public water systems may require a public water system, as a condition of receiving a loan or grant from a State revolving fund under section 1452, to submit with its application for such loan or grant a water conservation plan consistent with such guidelines.''.

## TITLE IV—MISCELLANEOUS

**SEC. 401. DEFINITIONS.**

(a) ALTERNATIVE QUALITY CONTROL AND TESTING PROCEDURES.—Section 1401(1)(D) (42 U.S.C. 300f(1)(D)) is amended by adding the following at the end thereof: ''At any time after promulgation of a regulation referred to in this paragraph, the Administrator may add equally effective quality control and testing procedures by guidance published in the Federal Register. Such procedures shall be treated as an alternative for public water systems to the quality control and testing procedures listed in the regulation.''.

(b) PUBLIC WATER SYSTEM.—

(1) IN GENERAL.—Section 1401(4) (42 U.S.C. 300f(4)) is amended—

(A) in the first sentence, by striking ''piped water for human consumption'' and inserting

''water for human consumption through pipes or other constructed conveyances'';

(B) by redesignating subparagraphs (A) and (B) as clauses (i) and (ii), respectively;

(C) by striking ''(4) The'' and inserting the following:

''(4) PUBLIC WATER SYSTEM.—

''(A) IN GENERAL.—The''; and

(D) by adding at the end the following:

''(B) CONNECTIONS.—

''(i) IN GENERAL.—For purposes of subparagraph (A), a connection to a system that delivers water by a constructed conveyance other than a pipe shall not be considered a connection, if—

''(I) the water is used exclusively for purposes other than residential uses (consisting of drinking, bathing, and cooking, or other similar uses);

''(II) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that alternative water to achieve the equivalent level of public health protection provided by the applicable national primary drinking water regulation is provided for residential or similar uses for drinking, cooking, and bathing; or

''(III) the Administrator or the State (in the case of a State exercising primary enforcement responsibility for public water systems) determines that the water provided for residential or similar uses for drinking, cooking, and bathing is centrally treated or treated at the point of entry by the provider, a pass-through entity, or the user to achieve the equivalent level of protection provided by the applicable national primary drinking water regulations.

''(ii) IRRIGATION DISTRICTS.—An irrigation district in existence prior to May 18, 1994, that provides primarily agricultural service through a piped water system with only incidental residential or similar use shall not be considered to be a public water system if the system or the residential or similar users of the system comply with subclause (II) or (III) of clause (i).

''(C) TRANSITION PERIOD.—A water supplier that would be a public water system only as a result of modifications made to this paragraph by the Safe Drinking Water Act Amendments of 1996 shall not be considered a public water system for purposes of the Act until the date that is two years after the date of enactment of this subparagraph. If a water supplier does not serve 15 service connections (as defined in subparagraphs (A) and (B)) or 25 people at any time after the conclusion of the two-year period, the water supplier shall not be considered a public water system.''.

(2) GAO STUDY.—The Comptroller General of the United States shall undertake a study to—

(A) ascertain the numbers and locations of individuals and households relying for their residential water needs, including drinking, bathing, and cooking (or other similar uses) on irrigation water systems, mining water systems, industrial water systems or other water systems covered by section 1401(4)(B) of the Safe Drinking Water Act that are not public water systems subject to the Safe Drinking Water Act;

(B) determine the sources and costs and affordability (to users and systems) of water used by such populations for their residential water needs; and

(C) review State and water system compliance with the exclusion provisions of section 1401(4)(B) of such Act.

The Comptroller General shall submit a report to the Congress within 3 years after the enactment of this Act containing the results of such study.

**SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

(a) GENERAL.—Part A (42 U.S.C. 300f) is amended by adding the following new section after section 1401:

**''SEC. 1402. AUTHORIZATION OF APPROPRIATIONS.**

''There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title for the first 7 fiscal years following the enactment of the Safe Drinking Water Act Amendments of 1996. With the exception of biomedical research, nothing in this Act shall affect or modify any authorization for research and development under this Act or any other provision of law.''.

(b) CRITICAL AQUIFER PROTECTION.—Section 1427 (42 U.S.C. 300h–6) is amended as follows:

(1) Subsection (b)(1) is amended by striking ''not later than 24 months after the enactment of the Safe Drinking Water Act Amendments of 1986''.

(2) The table in subsection (m) is amended by adding at the end the following:

''1992–2003 ..... 15,000,000.''.

(c) WELLHEAD PROTECTION AREAS.—The table in section 1428(k) (42 U.S.C. 300h–7(k)) is amended by adding at the end the following:

''1992–2003 ..... 30,000,000.''.

(d) UNDERGROUND INJECTION CONTROL GRANT.—The table in section 1443(b)(5) (42 U.S.C. 300j–2(b)(5)) is amended by adding at the end the following:

''1992–2003 ..... 15,000,000.''.

**SEC. 403. NEW YORK CITY WATERSHED PROTECTION PROGRAM.**

Section 1443 (42 U.S.C. 300j–2) is amended by adding at the end the following:

''(d) NEW YORK CITY WATERSHED PROTECTION PROGRAM.—

''(1) IN GENERAL.—The Administrator is authorized to provide financial assistance to the State of New York for demonstration projects implemented as part of the watershed program for the protection and enhancement of the quality of source waters of the New York City water supply system, including projects necessary to comply with the criteria for avoiding filtration contained in 40 CFR 141.71. Demonstration projects which shall be eligible for financial assistance shall be certified to the Administrator by the State of New York as satisfying the purposes of this subsection. In certifying projects to the Administrator, the State of New York shall give priority to monitoring projects that have undergone peer review.

''(2) REPORT.—Not later than 5 years after the date on which the Administrator first provides assistance pursuant to this paragraph, the Governor of the State of New York shall submit a report to the Administrator on the results of projects assisted.

''(3) MATCHING REQUIREMENTS.—Federal assistance provided under this subsection shall not exceed 35 percent of the total cost of the protection program being carried out for any particular watershed or ground water recharge area.

''(4) AUTHORIZATION.—There are authorized to be appropriated to the Administrator to carry out this subsection for each of fiscal years 1997 through 2003 $8,000,000 for each of such fiscal years for the purpose of providing assistance to the State of New York to carry out paragraph (1).''.

**SEC. 404. ESTROGENIC SUBSTANCES SCREENING PROGRAM.**

Part F is amended by adding the following at the end thereof:

**''SEC. 1466. ESTROGENIC SUBSTANCES SCREENING PROGRAM.**

''(a) DEVELOPMENT.—Not later than 2 years after the date of enactment of this section, the Administrator shall develop a screening program, using appropriate validated test systems and other scientifically relevant information, to determine whether certain substances may have an effect in humans that is similar to an effect produced by a naturally occurring estrogen, or such other endocrine effect as the Administrator may designate.

''(b) IMPLEMENTATION.—Not later than 3 years after the date of enactment of this section, after obtaining public comment and review of the screening program described in subsection (a) by the scientific advisory panel established under section 25(d) of the Act of June 25, 1947 (chapter 125) or the Science Advisory Board established by section 8 of the Environmental Research, Development, and Demonstration Act of 1978 (42 U.S.C. 4365), the Administrator shall implement the program.

''(c) SUBSTANCES.—In carrying out the screening program described in subsection (a), the Administrator—

''(1) shall provide for the testing of all active and inert ingredients used in products described in section 103(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. 9603(e)) that may be found in sources of drinking water, and

''(2) may provide for the testing of any other substance that may be found in sources of drinking water if the Administrator determines that a substantial population may be exposed to such substance.

''(d) EXEMPTION.—Notwithstanding subsection (c), the Administrator may, by order, exempt from the requirements of this section a biologic substance or other substance if the Administrator determines that the substance is anticipated not to produce any effect in humans similar to an effect produced by a naturally occurring estrogen.

''(e) COLLECTION OF INFORMATION.—

''(1) IN GENERAL.—The Administrator shall issue an order to a person that registers, manufactures, or imports a substance for which testing is required under this subsection to conduct testing in accordance with the screening program described in subsection (a), and submit information obtained from the testing to the Administrator, within a reasonable time period that the Administrator determines is sufficient for the generation of the information.

''(2) PROCEDURES.—To the extent practicable the Administrator shall minimize duplicative testing of the same substance for the same endocrine effect, develop, as appropriate, procedures for fair and equitable sharing of test costs, and develop, as necessary, procedures for handling of confidential business information.

''(3) FAILURE OF REGISTRANTS TO SUBMIT INFORMATION.—

''(A) SUSPENSION.—If a person required to register a substance referred to in subsection (c)(1) fails to comply with an order under paragraph (1) of this subsection, the Administrator shall issue a notice of intent to suspend the sale or distribution of the substance by the person. Any suspension proposed under this paragraph shall become final at the end of the 30-day period beginning on the date that the person receives the notice of intent to suspend, unless during that period a person adversely affected by the notice requests a hearing or the Administrator determines that the person referred to in paragraph (1) has complied fully with this subsection.

''(B) HEARING.—If a person requests a hearing under subparagraph (A), the hearing shall be conducted in accordance with section 554 of title 5, United States Code. The only matter for resolution at the hearing shall be whether the person has failed to comply with an order under paragraph (1) of this subsection. A decision by the Administrator after completion of a hearing shall be considered to be a final agency action.

''(C) TERMINATION OF SUSPENSIONS.—The Administrator shall terminate a suspension under this paragraph issued with respect to a person if the Administrator determines that the person has complied fully with this subsection.

''(4) NONCOMPLIANCE BY OTHER PERSONS.—Any person (other than a person referred to in paragraph (3)) who fails to comply with an order under paragraph (1) shall be liable for the same penalties and sanctions as are provided under section 16 of the Toxic Substances Control Act (15 U.S.C. 2601 and following) in the case of a violation referred to in that section. Such penalties and sanctions shall be assessed and imposed in the same manner as provided in such section 16.

''(f) AGENCY ACTION.—In the case of any substance that is found, as a result of testing and

*evaluation under this section, to have an endocrine effect on humans, the Administrator shall, as appropriate, take action under such statutory authority as is available to the Administrator, including consideration under other sections of this Act, as is necessary to ensure the protection of public health.*

*''(g) REPORT TO CONGRESS.—Not later than 4 years after the date of enactment of this section, the Administrator shall prepare and submit to Congress a report containing—*

*''(1) the findings of the Administrator resulting from the screening program described in subsection (a);*

*''(2) recommendations for further testing needed to evaluate the impact on human health of the substances tested under the screening program; and*

*''(3) recommendations for any further actions (including any action described in subsection (f)) that the Administrator determines are appropriate based on the findings.*

*''(h) SAVINGS CLAUSE.—Nothing in this section shall be construed to amend or modify the provisions of the Toxic Substances Control Act or the Federal Insecticide, Fungicide, and Rodenticide Act.''.*

***SEC. 405. REPORTS ON PROGRAMS ADMINISTERED DIRECTLY BY ENVIRONMENTAL PROTECTION AGENCY.***

*For States and Indian Tribes in which the Administrator of the Environmental Protection Agency has revoked primary enforcement responsibility under part B of title XIV of the Public Health Service Act (which title is commonly known as the Safe Drinking Water Act) or is otherwise administering such title, the Administrator shall provide every 2 years, a report to Congress on the implementation by the Administrator of all applicable requirements of that title in such States.*

***SEC. 406. RETURN FLOWS.***

*Section 3013 of Public Law 102–486 (42 U.S.C. 13551) shall not apply to drinking water supplied by a public water system regulated under title XIV of the Public Health Service Act (the Safe Drinking Water Act).*

***SEC. 407. EMERGENCY POWERS.***

*Section 1431(b) is amended by striking out ''$5,000'' and inserting in lieu thereof ''$15,000''.*

***SEC. 408. WATERBORNE DISEASE OCCURRENCE STUDY.***

*(a) SYSTEM.—The Director of the Centers for Disease Control and Prevention, and the Administrator of the Environmental Protection Agency, shall jointly establish—*

*(1) within 2 years after the date of enactment of this Act, pilot waterborne disease occurrence studies for at least 5 major United States communities or public water systems; and*

*(2) within 5 years after the date of enactment of this Act, a report on the findings of the pilot studies, and a national estimate of waterborne disease occurrence.*

*(b) TRAINING AND EDUCATION.—The Director and Administrator shall jointly establish a national health care provider training and public education campaign to inform both the professional health care provider community and the general public about waterborne disease and the symptoms that may be caused by infectious agents, including microbial contaminants. In developing such a campaign, they shall seek comment from interested groups and individuals, including scientists, physicians, State and local governments, environmental groups, public water systems, and vulnerable populations.*

*(c) FUNDING.—There are authorized to be appropriated for each of the fiscal years 1997 through 2001, $3,000,000 to carry out this section. To the extent funds under this section are not fully appropriated, the Administrator may use not more than $2,000,000 of the funds from amounts reserved under section 1452(n) for health effects studies for purposes of this section. The Administrator may transfer a portion of such funds to the Centers for Disease Control and Prevention for such purposes.*

***SEC. 409. DRINKING WATER STUDIES.***

*(a) SUBPOPULATIONS AT GREATER RISK.—The Administrator of the Environmental Protection Agency shall conduct a continuing program of studies to identify groups within the general population that are at greater risk than the general population of adverse health effects from exposure to contaminants in drinking water. The study shall examine whether and to what degree infants, children, pregnant women, the elderly, individuals with a history of serious illness, or other subpopulations that can be identified and characterized are likely to experience elevated health risks, including risks of cancer, from contaminants in drinking water.*

*(b) BIOLOGICAL MECHANISMS.—The Administrator shall conduct studies to—*

*(1) understand the biomedical mechanisms by which chemical contaminants are absorbed, distributed, metabolized, and eliminated from the human body, so as to develop more accurate physiologically based models of the phenomena;*

*(2) understand the effects of contaminants and the biomedical mechanisms by which the contaminants cause adverse effects (especially noncancer and infectious effects) and the variations in the effects among humans, especially subpopulations at greater risk of adverse effects, and between test animals and humans; and*

*(3) develop new approaches to the study of complex mixtures, such as mixtures found in drinking water, especially to determine the prospects for synergistic or antagonistic interactions that may affect the shape of the dose-response relationship of the individual chemicals and microbes, and to examine noncancer endpoints and infectious diseases, and susceptible individuals and subpopulations.*

*(c) STUDIES ON HARMFUL SUBSTANCES IN DRINKING WATER.—*

*(1) DEVELOPMENT OF STUDIES.—The Administrator shall, after consultation with the Secretary of Health and Human Services, the Secretary of Agriculture, and, as appropriate, the heads of other Federal agencies, conduct the studies described in paragraph (2) to support the development and implementation of the most current version of each of the following:*

*(A) Enhanced surface water treatment rule (59 Fed. Reg. 38832 (July 29, 1994)).*

*(B) Disinfectant and disinfection byproducts rule (59 Fed. Reg. 38668 (July 29, 1994)).*

*(C) Ground water disinfection rule (availability of draft summary announced at (57 Fed. Reg. 33960; July 31, 1992)).*

*(2) CONTENTS OF STUDIES.—The studies required by paragraph (1) shall include, at a minimum, each of the following:*

*(A) Toxicological studies and, if warranted, epidemiological studies to determine what levels of exposure from disinfectants and disinfection byproducts, if any, may be associated with developmental and birth defects and other potential toxic end points.*

*(B) Toxicological studies and, if warranted, epidemiological studies to quantify the carcinogenic potential from exposure to disinfection byproducts resulting from different disinfectants.*

*(C) The development of dose-response curves for pathogens, including cryptosporidium and the Norwalk virus.*

*(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection $12,500,000 for each of fiscal years 1997 through 2003.*

***SEC. 410. BOTTLED DRINKING WATER STANDARDS.***

*Section 410 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 349) is amended as follows:*

*(1) By striking ''Whenever'' and inserting ''(a) Except as provided in subsection (b), whenever''.*

*(2) By adding at the end thereof the following new subsection:*

*''(b)(1) Not later than 180 days before the effective date of a national primary drinking water regulation promulgated by the Administrator of the Environmental Protection Agency for a contaminant under section 1412 of the Public Health Service Act (42 U.S.C. 300g–1), the Secretary shall promulgate a standard of quality regulation under this subsection for that contaminant in bottled water or make a finding that such a regulation is not necessary to protect the public health because the contaminant is contained in water in public water systems (as defined under section 1401(4) of such Act (42 U.S.C. 300f(4))) but not in water used for bottled drinking water. The effective date for any such standard of quality regulation shall be the same as the effective date for such national primary drinking water regulation, except for any standard of quality of regulation promulgated by the Secretary before the date of enactment of the Safe Drinking Water Act Amendments of 1996 for which (as of such date of enactment) an effective date had not been established. In the case of a standard of quality regulation to which such exception applies, the Secretary shall promulgate monitoring requirements for the contaminants covered by the regulation not later than 2 years after such date of enactment. Such monitoring requirements shall become effective not later than 180 days after the date on which the monitoring requirements are promulgated.*

*''(2) A regulation issued by the Secretary as provided in this subsection shall include any monitoring requirements that the Secretary determines appropriate for bottled water.*

*''(3) A regulation issued by the Secretary as provided in this subsection shall require the following:*

*''(A) In the case of contaminants for which a maximum contaminant level is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall establish a maximum contaminant level for the contaminant in bottled water which is no less stringent than the maximum contaminant level provided in the national primary drinking water regulation.*

*''(B) In the case of contaminants for which a treatment technique is established in a national primary drinking water regulation under section 1412 of the Public Health Service Act, the regulation under this subsection shall require that bottled water be subject to requirements no less protective of the public health than those applicable to water provided by public water systems using the treatment technique required by the national primary drinking water regulation.*

*''(4)(A) If the Secretary does not promulgate a regulation under this subsection within the period described in paragraph (1), the national primary drinking water regulation referred to in paragraph (1) shall be considered, as of the date on which the Secretary is required to establish a regulation under paragraph (1), as the regulation applicable under this subsection to bottled water.*

*''(B) In the case of a national primary drinking water regulation that pursuant to subparagraph (A) is considered to be a standard of quality regulation, the Secretary shall, not later than the applicable date referred to in such subparagraph, publish in the Federal Register a notice—*

*''(i) specifying the contents of such regulation, including monitoring requirements, and*

*''(ii) providing that for purposes of this paragraph the effective date for such regulation is the same as the effective date for the regulation for purposes of title XIV of the Public Health Service Act (or, if the exception under paragraph (1) applies to the regulation, that the effective date for the regulation is not later than 2 years and 180 days after the date of the enactment of the Safe Drinking Water Act Amendments of 1996).''.*

***SEC. 411. CLERICAL AMENDMENTS.***

*(a) PART B.—Part B (42 U.S.C. 300g and following) is amended as follows:*

(1) In section 1412(b)(2)(C) by striking ''paragraph (3)(a)'' and inserting ''paragraph (3)(A)''.

(2) In section 1412(b)(8) strike ''1442(g)'' and insert ''1442(e)''.

(3) In section 1415(a)(1)(A) by inserting ''the'' before ''time the variance is granted''.

(b) PART C.—Part C (42 U.S.C. 300h and following) is amended as follows:

(1) In section 1421(b)(3)(B)(i) by striking ''number or States'' and inserting ''number of States''.

(2) In section 1427(k) by striking ''this subsection'' and inserting ''this section''.

(c) PART E.—Section 1441(f) (42 U.S.C. 300j(f)) is amended by inserting a period at the end.

(d) SECTION 1465(b).—Section 1465(b) (42 U.S.C. 300j–25) is amended by striking ''as by'' and inserting ''by''.

(e) SHORT TITLE.—Section 1 of Public Law 93-523 (88 Stat. 1600) is amended by inserting ''of 1974'' after ''Act'' the second place it appears and title XIV of the Public Health Service Act is amended by inserting the following immediately before part A:

**''SEC. 1400. SHORT TITLE AND TABLE OF CONTENTS.**

''(a) SHORT TITLE.—This title may be cited as the 'Safe Drinking Water Act'.

''(b) TABLE OF CONTENTS.—

''TITLE XIV—SAFETY OF PUBLIC WATER SYSTEMS

''Sec. 1400. Short title and table of contents.

''PART A—DEFINITIONS

''Sec. 1401. Definitions.
''Sec. 1402. Authorization of appropriations.

''PART B—PUBLIC WATER SYSTEMS

''Sec. 1411. Coverage.
''Sec. 1412. National drinking water regulations.
''Sec. 1413. State primary enforcement responsibility.
''Sec. 1414. Enforcement of drinking water regulations.
''Sec. 1415. Variances
''Sec. 1416. Exemptions.
''Sec. 1417. Prohibition on use of lead pipes, solder, and flux.
''Sec. 1418. Monitoring of contaminants.
''Sec. 1419. Capacity development.

''PART C—PROTECTION OF UNDERGROUND SOURCES OF DRINKING WATER

''Sec. 1421. Regulations for State programs.
''Sec. 1422. State primary enforcement responsibility.
''Sec. 1423. Enforcement of program.
''Sec. 1424. Interim regulation of underground injections.
''Sec. 1425. Optional demonstration by States relating to oil or natural gas.
''Sec. 1426. Regulation of State programs.
''Sec. 1427. Sole source aquifer demonstration program.
''Sec. 1428. State programs to establish wellhead and source water protection areas.
''Sec. 1429. Federal facilities.

''PART D—EMERGENCY POWERS

''Sec. 1431. Emergency powers.
''Sec. 1432. Tampering with public water systems.

''PART E—GENERAL PROVISIONS

''Sec. 1441. Assurance of availability of adequate supplies of chemicals necessary for treatment of water.
''Sec. 1442. Research, technical assistance, information, training of personnel.
''Sec. 1443. Grants for State programs.
''Sec. 1444. Special study and demonstration project grants; guaranteed loans.
''Sec. 1445. Records and inspections.
''Sec. 1446. National Drinking Water Advisory Council.
''Sec. 1447. Federal agencies.
''Sec. 1448. Judicial review.
''Sec. 1449. Citizen's civil action.
''Sec. 1450. General provisions.
''Sec. 1451. Indian tribes.
''Sec. 1452. State revolving funds.
''Sec. 1453. Water conservation plan.

''PART F—ADDITIONAL REQUIREMENTS TO REGULATE THE SAFETY OF DRINKING WATER

''Sec. 1461. Definitions.
''Sec. 1462. Recall of drinking water coolers with lead-lined tanks.
''Sec. 1463. Drinking water coolers containing lead.
''Sec. 1464. Lead contamination in school drinking water.
''Sec. 1465. Federal assistance for State programs regarding lead contamination in school drinking water.
''Sec. 1466. Estrogenic substances screening program.''.

## TITLE V—ADDITIONAL ASSISTANCE FOR WATER INFRASTRUCTURE AND WATERSHEDS

**SEC. 501. GENERAL PROGRAM.**

(a) TECHNICAL AND FINANCIAL ASSISTANCE.—The Administrator may provide technical and financial assistance in the form of grants to States (1) for the construction, rehabilitation, and improvement of water supply systems, and (2) consistent with nonpoint source management programs established under section 319 of the Federal Water Pollution Control Act, for source water quality protection programs to address pollutants in navigable waters for the purpose of making such waters usable by water supply systems.

(b) LIMITATION.—Not more than 30 percent of the amounts appropriated to carry out this section in a fiscal year may be used for source water quality protection programs described in subsection (a)(2).

(c) CONDITION.—As a condition to receiving assistance under this section, a State shall ensure that such assistance is carried out in the most cost-effective manner, as determined by the State.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

**SEC. 502. NEW YORK CITY WATERSHED, NEW YORK.**

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants for a source water quality protection program described in section 501 for the New York City Watershed in the State of New York.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $8,000,000 for each of fiscal years 1996 through 2003. Such sums shall remain available until expended.

**SEC. 503. RURAL AND NATIVE VILLAGES, ALASKA.**

(a) IN GENERAL.—The Administrator may provide technical and financial assistance in the form of grants to the State of Alaska for the benefit of rural and Alaska Native villages for the development and construction of water systems to improve conditions in such villages and to provide technical assistance relating to construction and operation of such systems.

(b) CONSULTATION.—The Administrator shall consult the State of Alaska on methods of prioritizing the allocation of grants made to such State under this section.

(c) ADMINISTRATIVE EXPENSES.—The State of Alaska may use not to exceed 4 percent of the amount granted to such State under this section for administrative expenses necessary to carry out the activities for which the grant is made.

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000. Such sums shall remain available until expended.

**SEC. 504. ACQUISITION OF LANDS.**

Assistance provided with funds made available under this title may be used for the acquisition of lands and other interests in lands; however, nothing in this title authorizes the acquisition of lands or other interests in lands from other than willing sellers.

**SEC. 505. FEDERAL SHARE.**

The Federal share of the cost of activities for which grants are made under this title shall be 50 percent.

**SEC. 506. CONDITION ON AUTHORIZATIONS OF APPROPRIATIONS.**

An authorization of appropriations under this title shall be in effect for a fiscal year only if at least 75 percent of the total amount of funds authorized to be appropriated for such fiscal year by section 308 are appropriated.

**SEC. 507. DEFINITIONS.**

In this title, the following definitions apply:

(1) ADMINISTRATOR.—The term ''Administrator'' means the Administrator of the Environmental Protection Agency.

(2) STATE.—The term ''State'' means a State, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and the Trust Territory of the Pacific Islands.

(3) WATER SUPPLY SYSTEM.—The term ''water supply system'' means a system for the provision to the public of piped water for human consumption if such system has at least 15 service connections or regularly serves at least 25 individuals and a draw and fill system for the provision to the public of water for human consumption. Such term does not include a for-profit system that has fewer than 15 service connections used by year-round residents of the area served by the system or a for-profit system that regularly serves fewer than 25 year-round residents and does not include a system owned by a Federal agency. Such term includes (A) any collection, treatment, storage, and distribution facilities under control of the operator of such system and used primarily in connection with such system, and (B) any collection or pretreatment facilities not under such control that are used primarily in connection with such system.

## TITLE VI—DRINKING WATER RESEARCH AUTHORIZATION

**SEC. 601. DRINKING WATER RESEARCH AUTHORIZATION.**

There are authorized to be appropriated to the Administrator of the Environmental Protection Agency, in addition to—

(1) amounts authorized for research under section 1412(b)(13) of the Safe Drinking Water Act (title XIV of the Public Health Service Act);

(2) amounts authorized for research under section 409 of the Safe Drinking Water Act Amendments of 1996; and

(3) $10,000,000 from funds appropriated pursuant to this section 1452(n) of the Safe Drinking Water Act (title XIV of the Public Health Service Act),

such sums as may be necessary for drinking water research for fiscal years 1997 through 2003. The annual total of the sums referred to in this section shall not exceed $26,593,000.

**SEC. 602. SCIENTIFIC RESEARCH REVIEW.**

(a) IN GENERAL.—The Administrator shall assign to the Assistant Administrator for Research and Development (in this section referred to as the ''Assistant Administrator'') the duties of—

(1) developing a strategic plan for drinking water research activities throughout the Environmental Protection Agency (in this section referred to as the ''Agency'');

(2) integrating that strategic plan into ongoing Agency planning activities; and

(3) reviewing all Agency drinking water research to ensure the research—

(A) is of high quality; and

(B) does not duplicate any other research being conducted by the Agency.

(b) REPORT.—The Assistant Administrator shall transmit annually to the Administrator and to the Committees on Commerce and Science

*of the House of Representatives and the Committee on Environment and Public Works of the Senate a report detailing—*

*(1) all Agency drinking water research the Assistant Administrator finds is not of sufficiently high quality; and*

*(2) all Agency drinking water research the Assistant Administrator finds duplicates other Agency research.*

Mr. ROTH. I ask unanimous consent that the Senate disagree with the amendment of the House and agree to the request for a conference, and the Chair be authorized to appoint conferees on the part of the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Presiding Officer (Mr. FRIST) appointed Mr. CHAFEE, Mr. KEMPTHORNE, Mr. THOMAS, Mr. WARNER, Mr. BAUCUS, Mr. REID, and Mr. LAUTENBERG conferees on the part of the Senate.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. ROTH. Mr. President, I ask unanimous consent that, as in executive session, the Senate immediately proceed to the consideration of the following Executive Calendar nominations, No. 513, James Jones; No. 576, Donald Molloy.

I further ask unanimous consent that the nominations be confirmed, en bloc, the motions to reconsider be laid upon the table, en bloc, and the President be immediately notified of the Senate's action; that any statements relating to any of the nominations appear at the appropriate place in the RECORD, and the Senate then immediately return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed, en bloc, as follows:

THE JUDICIARY

James P. Jones, of Virginia, to be U.S. District Judge for the Western District of Virginia.

Donald W. Molloy, of Montana, to be U.S. District Judge for the District of Montana.

NOMINATION OF JAMES P. JONES

Mr. ROBB. Mr. President, one characteristic shared by most top-notch judges is patience. It is an attribute which James P. Jones, the President's nominee to be United States District Judge for the Western District of Virginia, has in abundance. This is fortunate, because he has waited a very long time for this day. Jim was first nominated to be a Federal district judge over 16 years ago, but his nomination became entangled in presidential politics and never came to the Senate floor for consideration. That was 1980. He was recommended for this position again last summer, renominated last December, favorably reported unanimously by the Judiciary Committee in March, and has been pending on the Executive Calendar ever since. I know he's relieved to have finally completed this torturous journey, and I'm pleased that he will finally be able to demonstrate what those of us acquainted with him have known for years—that he will make an exemplary judge.

I have known Jim Jones for over 20 years. His experience will help him discharge the responsibilities which will be placed upon him. He's been a litigator in private practice for almost 28 years. He has served as a state senator, assistant attorney general for the Commonwealth, and law clerk in the Fourth Circuit Court of Appeals.

In addition to his keen intellect and superior legal skills, Jim has the character and even disposition crucial for a successful jurist. Not only is Jim well-suited for the position, he has dedicated much of his life outside his legal practice to public service. He has been involved in many community and bar-related activities, and he has recently served as president of the Virginia Board of Education.

I was pleased to be given the opportunity to recommend Jim Jones to the President for this nomination, and I am confident that Jim will serve with distinction as a Federal district court judge in the western district of Virginia. I'm glad he will finally have a chance to serve.

With that Mr. President, I thank my colleagues for supporting this nomination and I yield the floor.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

## ORDERS FOR FRIDAY, JULY 19, 1996

Mr. ROTH. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 9 a.m. on Friday, July 19; further, that immediately following the prayer the Journal of proceedings be deemed approved to date, the morning hour be deemed to have expired, and the time for the two leaders be reserved for their use later in the day; and that the Senate immediately resume consideration of the reconciliation bill under the previous order.

The PRESIDING OFFICER. Without objection, it is so ordered.

## PROGRAM

Mr. ROTH. For the information of all Senators, tomorrow morning there will be a series of rollcall votes beginning at 9 o'clock a.m. on or in relation to amendments to the reconciliation bill, and following that series of votes the Senate will continue to debate amendments to the bill.

However, no further votes will occur during Friday's session of the Senate or during Monday's session of the Senate. Any votes ordered on those amendments will occur at 9:30 a.m. on Tuesday.

Also, it is the majority leader's intention to turn to the agricultural appropriations bill at 2 p.m. on Monday. Again, Senators intending to offer amendments or raise points of order with respect to the reconciliation bill must do so either tomorrow or Monday.

## ADJOURNMENT UNTIL 9 A.M. TOMORROW

Mr. ROTH. If there is no further business to come before the Senate, I ask unanimous consent that the Senate now stand in adjournment under the previous order.

There being no objection, the Senate, at 11:30 p.m., adjourned until Friday, July 19, 1996, at 9 a.m.

## CONFIRMATIONS

Executive nominations confirmed by the Senate July 18, 1996:

THE JUDICIARY

JAMES P. JONES, OF VIRGINIA, TO BE U.S. DISTRICT JUDGE FOR THE WESTERN DISTRICT OF VIRGINIA.

DONALD W. MOLLOY, OF MONTANA, TO BE U.S. DISTRICT JUDGE FOR THE DISTRICT OF MONTANA.