PERSONAL RESPONSIBILITY
AND WORK OPPORTUNITY
RECONCILIATION ACT
OF 1996

H.R. 3734
PUBLIC LAW 104-193
104TH CONGRESS
Volumes 1 to 19

BILLS, REPORTS,
DEBATES, AND ACT

Social Security Administration
PREFACE

This 19-volume compilation contains historical documents pertaining to P.L. 104-193, the "Personal Responsibility and Work Opportunity Act of 1996." The books contain congressional debates, a chronological compilation of documents pertinent to the legislative history of the public law and relevant reference materials.

Pertinent documents include:

- Differing versions of key bills
- Committee reports
- Excerpts from the Congressional Record
- The Public Law

This history is prepared by the Office of the Deputy Commissioner for Legislation and Congressional Affairs and is designed to serve as a helpful resource tool for those charged with interpreting laws administered by the Social Security Administration.
I. House Action in 1995

A. Statement by Representative Newt Gingrich, Speaker of the House, on the "Contract With America."


C. H.R. 999, "Welfare Reform Consolidation Act of 1995" introduced February 21, 1995 as reported March 10, 1995 by the Committee on Economic and Educational Opportunities (excerpts)

1. Committee on Economic and Educational Opportunities Report (excerpts) to accompany H.R. 999--House Report No. 104-75--March 10, 1995 (excerpts)


E. H.R. 1135, "Food Stamp Reform and Commodity Distribution Act of 1995" as reported by the House Committee on Agriculture March 14, 1995 (excerpts)

F. H.R. 1214, "Personal Responsibility Act of 1995," introduced March 13, 1995 (excerpts). This bill was developed by the three committees with primary jurisdiction (Committees on Ways and Means, Agriculture, and Economic and Educational Opportunities). In addition, the Committee on Commerce worked with Ways and Means staff to draft language for H.R. 1214 as it related to provisions within the Commerce Committee's jurisdiction including ineligibility of illegal aliens for certain public benefits, SSI cash benefits, and SSI service benefits. H.R. 1214 was considered as the base text for floor consideration of welfare reform legislation.


H. H.R. 1267, "Individual Responsibility Act of 1995" introduced March 21, 1995 (excerpts). This bill was offered as a Democratic substitute for H.R. 4/H.R. 1214 that maintained several key Republican welfare reform provisions while also keeping the Federal entitlement for cash benefits, school lunches and other social programs. It failed to pass the House on March 23, 1995 by a vote of 205-228.

1. H.Res. 117, Resolution providing for the consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence as adopted March 22, 1995. The resolution provided that debate must be confined to H.R. 4 and the text of H.R. 1214.


J. H.Res. 119, Resolution providing for further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence. This resolution made in order H.R. 1214 as original text for amendment to H.R. 4.


1. March 21, 1995
2. March 22, 1995
4. March 24, 1995

L. H.R. 4 as passed the House-- March 24, 1995 (excerpts)

II. Senate Action in 1995

A. H.R. 4, "Work Opportunity Act of 1995" as Reported by the Senate Committee on Finance--June 9, 1995 (excerpts)


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B. S. 1120, "Work Opportunity Act of 1995" (excerpts)--introduced August 3, 1995

C. Amendment No. 2280 to H.R. 4 Congressional Record--August 5, 1995

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D. Senate debate on proposed Amendment No. 2280 to H.R. 4, Congressional Record


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E. H.R. 4 as passed the Senate, September 19, 1995 (excerpts)

III. Conference Action on H.R. 4

A. House Debated the Senate-Passed version, disagreed with Senate Amendments, and Appointed Conferees—September 29, 1995


B. Senate Appointed Conferees—October 17, 1995


D. H.Res. 319


E. House Agreed to Conference Report by a vote of 245-178—Congressional Record—December 21, 1995

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F. Senate Debate on Conference Report

1. Congressional Record—December 21, 1995
IV. Vetoed by President Clinton-January 9, 1996--President Clinton's Statement on the veto

V. House Action on Other Bills in the 104th Congress First Session (1995) that Included Welfare Reform provisions

A. H.R. 2491, "Seven-Year Balanced Budget Reconciliation Act of 1995"--as introduced October 17, 1995 (excerpts)

2. H.Res. 245, Providing for Consideration of H.R. 2491--October 26, 1995


C. H.R. 2530, "Common Sense Balanced Budget Act of 1995"--as introduced October 25, 1995 (excerpts). This bill was offered by a group of conservative Democrats (Blue Dogs) as an alternative to H.R. 2491. It failed to pass the House on October 28, 1995 by a vote of 72-356.

1. H.Res. 321, Directing the Committee on Rules to report a resolution providing for the consideration of H.R. 2530--as introduced December 21, 1995
2. H.Res. 333, Providing for the consideration of H.R. 2530--as introduced January 4, 1996
D. House debate on H.R. 2491, H.R. 2517, and H.R. 2530, Congressional Record

1. October 24, 1995
2. October 25, 1995
3. October 26, 1995--H.R. 2491 passed the House by a vote of 227-203.

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VI. Senate Action on Other Bills in the 104th Congress First Session (1995) that Included Welfare Reform provisions

A. H.R. 2491, "Seven-Year Balanced Budget Reconciliation Act of 1995"--as passed the House October 26, 1995 and received in the Senate (excerpts).

B. S. 1357, "Balanced Budget Reconciliation Act of 1995"--as introduced October 23, 1995 (excerpts)

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C. Senate debate on S. 1357, substituting the text of S. 1357, as amended into H.R. 2491. Passed the Senate on October 27, 1995 by a vote of 52-47, Congressional Record

1. October 25, 1995
2. October 26, 1995
3. October 27, 1995

D. Text of Senate-passed measure printed in Congressional Record October 30, 1995 (excerpts)

VII. Conference Agreement on H.R. 2491, "Balanced Budget Act of 1995"--Enrolled bill for presentation to the President November 28, 1995 (excerpts)

VIII. President's Veto Message--December 6, 1995

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1. H.Res. 482, to provide for the consideration of H.R. 3734--as passed the House--July 18, 1996

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B. H.R. 3829, "Welfare Reform Reconciliation Act of 1996" as introduced July 17, 1996 (excerpts). The text of this bill was incorporated as a substitute amendment to H.R. 3734.

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C. H.R. 3832, "Bipartisan Welfare Reform Act of 1996) as introduced July 17, 1996 (excerpts). This bill was offered as a substitute amendment to H.R. 3734 but failed to pass the House on July 18, 1996 by a vote of 168-228. H.R. 3832 was similar to H.R. 3266 introduced earlier in 1996.

D. House Debate on H.R. 3734, H.R. 3829, and H.R. 3832, Congressional Record

1. July 17, 1996
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B. Conferees agreed--July 30, 1996

2. Joint Statement of Conferees (excerpts)

C. House considered and agreed to Conference Report--Congressional Record--July 31, 1996

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XII. Public Law

A. Public Law 104-193 (excerpts)--August 22, 1996
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A. Legislative Bulletins (SSA/ODCLCA)

1. Legislative Bulletin 104-1, House Committee on Ways and Means Markup of Welfare Reform Proposal--March 7, 1995


7. Legislative Bulletin 104-8, Senate Judiciary Immigration Subcommittee Reports S. 269--June 27, 1995


C. Other House Bills

1. H.R. 2903, "Balanced Budget Act of 1995 for Economic Growth and Fairness"--as introduced January 26, 1996 (excerpts). This was the text of President Clinton's balanced-budget plan. It included some provisions of interest, but did not include major welfare reform provisions.

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3. H.R. 3266, "Bipartisan Welfare Reform Act of 1996"--as introduced on April 17, 1996 (excerpts). Companion bill to S. 1867. These bills are a compromise between H.R. 4, which was vetoed, and proposals presented in a bipartisan plan by the National Governors Association in early 1996.

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D. Ways and Means Committee Print 104-15 "Summary of Welfare Reforms Made by Public Law 104-193"--November 6, 1996 (text only)

E. Administration Welfare Reform Bill--103rd Congress (1994-1995)

H.R. 4605, "Work Responsibility Act of 1994"--as introduced June 21, 1994 (excerpts). This bill and the Senate companion bill (S. 2224) were the Administration's Welfare Reform proposals in the 103rd Congress.
To restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending.

IN THE HOUSE OF REPRESENTATIVES
JULY 17, 1996

Mr. TANNER (for himself and Mr. CASTLE) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Agriculture, Commerce, Economic and Educational Opportunities, Government Reform and Oversight, Banking and Financial Services, the Judiciary, and the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL
To restore the American family, enhance support and work opportunities for families with children, reduce out-of-wedlock pregnancies, reduce welfare dependence, and control welfare spending.

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

SECTION 1. SHORT TITLE.
This Act may be cited as the “Bipartisan Welfare Re-
form Act of 1996”. 

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

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Sec. 2. Table of contents.

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Sec. 115. Application of current AFDC standards under medicaid program.
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Sec. 200. Reference to Social Security Act.

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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. Instalment payment of large past-due supplemental security income benefits.
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Sec. 215. Modification respecting parental income deemed to disabled children.
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Sec. 314. Amendments concerning income withholding.
Sec. 315. Locator information from interstate networks.
Sec. 316. Expansion of the Federal parent locator service.
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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.

(G) 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 con-
trast, 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 ⅓ of divorced mothers re-
ceived AFDC.

(C) Children born into families receiving
welfare assistance are 3 times more likely to be
on welfare when they reach adulthood than chil-
dren not born into families receiving welfare.

(D) Mothers under 20 years of age are at
the greatest risk of bearing low-birth-weight ba-
bies.

(E) The younger the single parent mother,
the less likely she is to finish high school.

(F) Young women who have children be-
fore finishing high school are more likely to re-
ceive 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 pro-
gram 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 care-
takers receiving assistance under the pro-
gram engage in work activities in accord-
ance with section 407.

“(v) Grant an opportunity for a fair
hearing before the State agency to any in-
dividual to whom assistance under the pro-
gram 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 in-
dividuals 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 em-
phasis on teenage pregnancies, and estab-
lish 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 execu-
tive 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 ad-
minister for their jurisdictions the programs estab-
ished pursuant to this Act.

"(6) Certification that the State will
provide Indians with equitable access to as-
sistance.—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 ap-
proved under section 412 with equitable access to
assistance under the State program funded under
this part attributable to funds provided by the Fed-
eral 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 em-
ployed 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) 1/3 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 ef-
fect).

"(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 oth-
wise 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 dur-
ing 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 ap-
propriated pursuant to paragraph (2)(A), for
payments to States described in this subpara-
graph, 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 esti-
mate to be based on—

"(i) a report filed by the State con-
taining an estimate by the State of qualify-
ing 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 es-
timated 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 elec-
tronic 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:

<table>
<thead>
<tr>
<th>The minimum participation rate is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;If the fiscal year is:&quot;</td>
</tr>
<tr>
<td>1997 .................................................. 20</td>
</tr>
<tr>
<td>1998 .................................................. 25</td>
</tr>
<tr>
<td>1999 .................................................. 30</td>
</tr>
<tr>
<td>2000 .................................................. 35</td>
</tr>
<tr>
<td>2001 .................................................. 40</td>
</tr>
<tr>
<td>2002 or thereafter ................. 50.</td>
</tr>
</tbody>
</table>

"(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:

<table>
<thead>
<tr>
<th>The minimum participation rate is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;If the fiscal year is:&quot;</td>
</tr>
<tr>
<td>1997 .................................................. 75</td>
</tr>
<tr>
<td>1998 .................................................. 75</td>
</tr>
<tr>
<td>1999 or thereafter ................ 90.</td>
</tr>
</tbody>
</table>

"(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 pre-
ceding 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 ces-
sation of assistance to an individual under the
program during which the individual is em-
ployed 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 pur-
poses 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 cal-
culated by use of the formula set forth in para-
graph (1)(B), except that in the formula the
term 'number of 2-parent families' shall be sub-
stituted for the term 'number of families' each
place such latter term appears.

"(3) PRO RATA REDUCTION OF PARTICIPATION
RATE DUE TO CASELOAD REDUCTIONS NOT RE-
QUIRED 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 per-
centage points equal to the number of percent-
age 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 re-
ceived 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 re-
duced to the extent that the Secretary deter-
mines 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 deter-
mining the participation rates under subsection (a).

"(c) ENGAGED IN WORK.—

"(1) ALL FAMILIES.—For purposes of sub-
section (b)(1)(B)(i), a recipient is engaged in work
for a month in a fiscal year if the recipient is par-
ticipating 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 activ-
ity 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)):

<table>
<thead>
<tr>
<th>If the month is in fiscal year:</th>
<th>The minimum average number of hours per week is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>20</td>
</tr>
<tr>
<td>1997</td>
<td>20</td>
</tr>
<tr>
<td>1998</td>
<td>20</td>
</tr>
<tr>
<td>1999 or thereafter</td>
<td>25</td>
</tr>
</tbody>
</table>

"(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 de-
scribed 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 para-
graph (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 para-
graphs (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 voca-
tional 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 indi-
vidual's home or work site.

"(B) Unavailability or unsuitability of in-
formal child care by a relative or under other
arrangements.

"(C) Unavailability of appropriate and af-
fordable 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 pro-
vided 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 re-
sponsibility and amount of work the indi-

guval 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 de-
scribe 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 appro-
priate 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 individ-
ual who, as of such effective date, is a re-
cipient of aid under the State plan ap-
proved under part A (as in effect imme-
diately 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 NON-CUSTODIAL, NONSUPPORTING MINOR PARENTS.—It is the sense of the Congress that the States should require non-custodial, 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 pro-
gram 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 establish-
ing, modifying, or enforcing a support order with re-
pect 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 at-
tributable to the individual; and

"(B) may deny the family any assistance
under the State program.

"(4) No assistance for families not as-
signing 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 fam-
ily 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 assign-
ment, 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.

"(B) 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 in-
dividual as such parent's, guardian's, or
adult relative's own home.

"(ii) INDIVIDUAL DESCRIBED.—For
purposes of clause (i), an individual de-
scribed 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 AR-
RANGEMENT.—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 lo-
cating, a second chance home, maternity
home, or other appropriate adult-superv-
vised 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 pre-
vent the State agency administering the pro-
gram from furnishing a Federal, State, or local law enforcement officer, upon the request of the officer, with the current address of any recipi-
ent 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 nec-

essary 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 sup-
plemental 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 im-
posed 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


"(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.

"(b) 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 PER-
CENT OF HISTORIC EFFORT.—If, at the end of any
fiscal year during which amounts from the Conting-
gency 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 fis-
cal year, the Secretary shall reduce the grant pay-
able to the State under section 403(a)(1) for the im-
mediately 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 re-
duced 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 com-
ply. 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 ex-
cecutive 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 participa-
tion in, the following activities:

“(I) Education.

“(II) Subsidized private sector
employment.

“(III) Unsubsidized employment.

“(IV) Public sector employment,
work experience, or community serv-
ice.

“(V) Job search.

“(VI) Job skills training or on-
the-job training.

“(VII) Vocational education.

“(xii) Information necessary to cal-
culate participation rates under section
407.

“(xiii) The type and amount of assist-
ance received under the program, including
the amount of and reason for any reduc-
tion 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 assist-
ance under this part because of employment, along
with a description of such services.

“(6) REGULATIONS.—The Secretary shall pre-
scribe such regulations as may be necessary to de-
fine 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 Sec-
retary shall transmit to the Congress a report describ-
ing—

“(1) whether the States are meeting—

“(A) the participation rates described in
section 407(a); and

“(B) the objectives of—

“(i) increasing employment and earn-
ings of needy families, and child support
collections; and

“(ii) decreasing out-of-wedlock preg-
nancies and child poverty;

“(2) the demographic and financial characteris-
tics of families applying for assistance, families re-
ceiving assistance, and families that become ineli-
gible 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 informa-
tion 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 other-
wise appropriated, there are appropriated $7,638,474 for each fiscal year specified in sub-
paragraph (A) for grants under subparagraph
(A).

"(b) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

"(1) IN GENERAL.—Any Indian tribe that de-
sires to receive a tribal family assistance grant shall submit to the Secretary a 3-year tribal family assist-
ance 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 pro-
vided by the Indian tribe or through agree-
ments, 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 as-
sistance under the plan may not receive duplica-
tive assistance from other State or tribal pro-
grams funded under this part;

"(E) identifies the employment opportuni-
ties 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


"(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 re-
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 dif-
ferent 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.

payment to the Bureau of the Census to carry out sub-
section (a).

"SEC. 415. WAIWERS."

"(a) CONTINUATION OF WAIVERS.—

"(1) WAIVERS IN EFFECT ON DATE OF ENACT-
MENT 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 ef-
fact as of the date of the enactment of the Biparti-
san Welfare Reform Act of 1996, the amendments
made by such Act shall not apply with respect to the
State before the expiration (determined without re-
gard to any extensions) of the waiver to the extent
such amendments are inconsistent with the waiver.

"(2) WAIVERS GRANTED SUBSEQUENTLY.—Ex-
cept 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 Septem-
ber 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
1 demonstrates to the satisfaction of the Secretary 
2 that the waiver will not result in Federal expendi- 
3 tures under title IV of this Act (as in effect without 
4 regard to the amendments made by the Bipartisan 
5 Welfare Reform Act of 1996) that are greater than 
6 would occur in the absence of the waiver, such 
7 amendments shall not apply with respect to the 
8 State before the expiration (determined without re- 
9 gard to any extensions) of the waiver to the extent 
10 such amendments are inconsistent with the waiver. 
11 “(3) FINANCING LIMITATION.—Notwithstand- 
12 ing any other provision of law, beginning with fiscal 
13 year 1996, a State operating under a waiver de- 
14 scribed in paragraph (1) shall be entitled to payment 
15 under section 403 for the fiscal year, in lieu of any 
16 other payment provided for in the waiver. 
17 “(b) STATE OPTION TO TERMINATE WAIVER.— 
18 “(1) IN GENERAL.—A State may terminate a 
19 waiver described in subsection (a) before the expira- 
20 tion of the waiver. 
21 “(2) REPORT.—A State which terminates a 
22 waiver under paragraph (1) shall submit a report to 
23 the Secretary summarizing the waiver and any avail- 
24 able information concerning the result or effect of 
25 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) Kaverak, 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 pro-
grams 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).

(c) 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 em-
ploymen 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 find-
ings of the study required by subsection (a).

SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SE-
CURITY 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 amend-
ed—

(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 fund-
ed 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”.

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(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 ad-
ministering 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 para-
graph 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 ap-
proved” and inserting “assistance under a State pro-
gram funded”.

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking “under section 402(a)(26)”.


(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 not 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 provi-
sion 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 pursu-
ant 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 para-
graph (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 amend-
(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 oth-

erwise 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 ex-
tent 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 de-

pendent children" and inserting "part A of

such title".

(4) Section 1116 (42 U.S.C. 1316) is amend-
ed—

(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 ma-
terial 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 insert-
ing “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 amend-
ed—

(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 amend-
ed—

(1) in the first sentence of subsection (b)(1)(A), by striking “to aid to families with dependent chil-
dren 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 com-
plies 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”.


(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 treat-
ment under AFDC of certain rental payments for federally
assisted housing, is repealed.
(e) Section 159 of the Tax Equity and Fiscal Respon-
sibility 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 Home-
less 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 fami-
lies with dependent children under a State plan ap-
proved” and inserting “assistance under a State pro-
gram funded”; and
(2) in subsection (c), by striking “aid to fami-
lies 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 De-
pendent Children)”; and
(2) in section 480(b)(2) (20 U.S.C.
1087vv(b)(2)), by striking “aid to families with de-
pendent children under a State plan approved” and
inserting “assistance under a State program fund-
ed”.

(i) The Carl D. Perkins Vocational and Applied Tech-
ology Education Act (20 U.S.C. 2301 et seq.) is amend-
ed—

2341(d)(3)(A)(ii)), by striking “the program for aid
to dependent children” and inserting “the State pro-
gram funded”;

(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 De-
pendent Children Program” and inserting “State
program funded under part A of title IV of the So-
cial Security Act”;

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(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.”.

(1) 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—


(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 (e), 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”.

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(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, de-
velop 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 fea-
sibility 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 ef-
fect—

(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 "DEMO-
ONSTRATION";

(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 (e)—

(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 (e) 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 in-
come 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.

"(c) 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 re-
spect 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 pur-
suant to the amendment made by such section
103).

(B) LIMITATIONS ON FEDERAL OBLIGA-
TIONS.—

(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 Sep-
tember 30, 1995) with respect to expendi-
tures by the State after the date of the en-
actment 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.
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 sched-
uled under the procedures prescribed by or under para-
graph (2), except that the reviews shall be scheduled so
that the eligibility of $\frac{1}{3}$ of all such nonexempt individuals
is reviewed within 1 year after such date of enactment,
the eligibility of $\frac{1}{3}$ of such nonexempt individuals is re-
viewed within 1 year after such date of enactment, and
all remaining nonexempt individuals who continue receiv-
ing benefits shall have their eligibility reviewed within 3
years after such date of enactment. Each individual deter-
mined 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 Com-
missioner, on a monthly basis, the names, social se-
curity 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 IM-
PRISONMENT 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 of-
fense punishable by imprisonment for more
than 1 year” and inserting “a criminal of-
fense”.

(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 Secu-

rity shall conduct a study of the desirability, feasibil-

ity, 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(e)(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 individ-
ual 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 deter-
mined 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.—Sec-
tion 1614(a)(3) (42 U.S.C. 1382c(a)(3)) is amended—

(1) in subparagraph (A), by striking "An indi-
vidual" and inserting "Except as provided in sub-
paragraph (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 fol-
lowing 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/behavioral function.

(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 rede-
termination 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 Secu-
rity 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 sec-
tion 208 of the Social Security Independ-
ence 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 re-
determination with respect to the individual.

(C) NOTICE.—Not later than 90 days after
the date of the enactment of this Act, the Com-
missioner of Social Security shall notify an indi-
vidual described in subparagraph (A) of the
provisions of this paragraph.

SEC. 212. ELIGIBILITY REDETERMINATIONS AND CONTINU-
ING 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 para-
graph (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 im-
pairment (or combination of impairments) which may im-
prove (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. 1382e(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."


(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 consid-
ered 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 imple-
ment 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 sec-
tion—

(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 Personal 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 CHIL-
DREN.

(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 sec-
tion 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 chil-
dren 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 in-
come 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:

<table>
<thead>
<tr>
<th>The applicable percentage for each eligible child is:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 eligible child .................................. 100 percent</td>
</tr>
<tr>
<td>2 eligible children .................................. 81.2 percent</td>
</tr>
<tr>
<td>3 eligible children .................................. 71.8 percent</td>
</tr>
<tr>
<td>4 eligible children .................................. 65.9 percent</td>
</tr>
<tr>
<td>5 eligible children .................................. 61.8 percent</td>
</tr>
</tbody>
</table>
"If the household has:"

<table>
<thead>
<tr>
<th>Eligible Children</th>
<th>Applicable Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>6</td>
<td>58.5 percent</td>
</tr>
<tr>
<td>7</td>
<td>55.9 percent</td>
</tr>
<tr>
<td>8</td>
<td>53.5 percent</td>
</tr>
<tr>
<td>9</td>
<td>51.7 percent</td>
</tr>
<tr>
<td>10</td>
<td>50.2 percent</td>
</tr>
<tr>
<td>11</td>
<td>48.7 percent</td>
</tr>
<tr>
<td>12 or more</td>
<td>47.4 percent</td>
</tr>
</tbody>
</table>

The applicable percentage for each eligible child is:

"(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) Preservesion 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 deter-
minations 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 PROC-ESS.

(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 deter-
mination process, including the appropriate
method of performing comprehensive assess-
ments 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, reli-
ability, and consistency with current scientific knowl-
edge 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 Se-
curity shall request the applicable entity, to submit
an interim report and a final report of the findings
and recommendations resulting from the study de-
scribed in this section to the President and the Con-
gress not later than 18 months and 24 months, re-
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 tem-
porary 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 Com-
mission, take any action the Commission is authorized to
take by this section.

(c) INFORMATION.—The Commission may secure di-
rectly 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 Chair-
person of the Commission, the head of a Federal agency
shall furnish the information to the Commission to the ex-
tent permitted by law.

(d) GIFTS, BEQUESTS, AND DEVICES.—The Commiss-
ion 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 Com-
mission. 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 con-
ditions 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, 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 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 AS-
SISTANCE.—In the case of a family that formerly re-
ceived 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 ap-
plied on the day before the date of the
enactment of section 302 of the Bi-
partisan Welfare Reform Act of 1996
shall apply with respect to the dis-
tribution of support arrearages that—

"(aa) accrued after the fam-
ily 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 assist-
ance 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 Bi-partisan 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 ap-
proved under part E of this title (as in effect
on the day before the date of the enactment of

"(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 PERCENT-
AGE.—The term ‘Federal medical assistance per-
centage’ means—

"(A) the Federal medical assistance per-
centage (as defined in section 1118), in the case
of Puerto Rico, the Virgin Islands, Guam, and
American Samoa; or

"(B) the Federal medical assistance per-
centage (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, with-
in 14 days after issuance of such order or de-
termination;”.

(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 re-
quired by this section shall include a registry (which
shall be known as the ‘State case registry’) that con-
tains 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;
“(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 estab-
lished 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 em-
ployee, 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 transmit-
ting 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 re-
port 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, magneti-
cally, 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.—Infor-
mation 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 HIRED 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 com-
pensation 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 informa-
tion 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 non-
custodial parent desires to contest such with-
holding on the grounds that the withholding or
the amount withheld is improper due to a mis-
take 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 fol-
lows “administered by” and inserting “the
State through the State disbursement unit es-

tablished pursuant to section 454B, in accord-
ance 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 with-
holding 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.”.
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 amend-
ed 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 up-
dated), 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 Na-
tional 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 ad-
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 Direc-
tory 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 DIS-
closures.—

“(1) VERIFICATION BY SOCIAL SECURITY AD-
MINISTRATION.—

“(A) IN GENERAL.—The Secretary shall
transmit information on individuals and em-
ployers maintained under this section to the So-
cial Security Administration to the extent nec-
ecessary for verification in accordance with sub-
paragraph (B).

"(B) Verification by SSA.—The Social
Security Administration shall verify the accu-

racy of, correct, or supply to the extent pos-

sible, and report to the Secretary, the following
information supplied by the Secretary pursuant
to subparagraph (A):

"(i) The name, social security num-
ber, and birth date of each such individual.

"(ii) The employer identification num-
ber of each such employer.

"(2) Information Comparisons.—For the

purpose of locating individuals in a paternity estab-

ishment 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 com-
parison reveals a match with respect to an indi-
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 semi-colon.

(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(e) (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 “(1)(12)” and inserting “paragraph (6) or (12) of subsection (1)”.

(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 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 with-
holding 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 Con-
gress 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 accord-
ance 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 So-"
cial 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 re-
quest 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 lo-
cator service shall be the residential address of
that member.

(B) DUTY ADDRESS.—The address for a
member of the Armed Forces shown in the loca-
tor service shall be the duty address of that
member in the case of a member—

(i) who is permanently assigned over-
seas, to a vessel, or to a routinely
deployable unit; or

(ii) with respect to whom the Sec-
retary concerned makes a determination
that the member's residential address
should not be disclosed due to national se-
curity 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 reimburse-
ment, 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 non-custodial 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 reason-
able 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.

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**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, in-
eluding savings association or cooperative
bank, Federal- or State-chartered credit
union, benefit association, insurance com-
pany, safe deposit company, money-market
mutual fund, or any similar entity author-
ized 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 para-
graph:

"(18) ENFORCEMENT OF ORDERS AGAINST PA-
TERNAL OR MATERNAL GRANDPARENTS.—Proce-
dures 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)(26).

(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 de-
fined 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, 1228(a), 1228(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.


(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
“(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 interven-
tion, 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 202(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 207 of
the Immigration and Nationality Act;
(ii) an alien is granted asylum under
section 208 of such Act; or
(iii) an alien’s deportation is withheld
under section 243(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 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.

(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 re-
spect 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 individ-
ual described in subclause (I) of the
provisions of this clause.

(ii) FOOD STAMPS.—

(I) IN GENERAL.—With respect
to the specified Federal program de-
scribed 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, re-
certify 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 20 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 pro-
gram as defined in section 3(h) of the Food

(b) LIMITED ELIGIBILITY FOR DESIGNATED FED-
ERAL 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 de-
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 Fed-
eral program.

(A) TIME-LIMITED EXCEPTION FOR REFU-
GEES AND ASYLEES.—

(i) 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.

(ii) An alien who is granted asylum
under section 208 of such Act until 5 years
after the date of such grant of asylum.
(iii) An alien whose deportation is being withheld under section 243(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 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.

(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 20 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 de-
termination 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 207 of the Immigration and Nationality Act.

(B) An alien who is granted asylum under section 208 of such Act.

(C) An alien whose deportation is being withheld under section 243(h) of such Act.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—

An alien who is lawfully residing in any State and
(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 20 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.


(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 206(d)(2) and 206(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 resi-
idence 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).

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SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR AT-
TRIBUTION OF SPONSOR'S INCOME AND RE-
SOURCES 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 au-
thorized 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 dis-
aster relief.

(3) Programs comparable to assistance or bene-
fits 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, noneash, in-kind emergency dis-
aster relief.

(3) Assistance or benefits under the National
School Lunch Act.

(4) Assistance or benefits under the Child Nutri-

(5)(A) Public health assistance for immuniza-
tions.

(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 as-
sistance under part B of title IV of the Social Secu-
rity 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 ap-
propriate Federal agencies and departments, which
(A) deliver in-kind services at the community level,
including through public or private nonprofit agen-
cies; (B) do not condition the provision of assistance,
the amount of assistance provided, or the cost of as-
sistance provided on the individual recipient's in-
come 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

(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 NON-PROFIT 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 (e)(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 de-
terminations 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 pro-
vision of this Act, the Secretary of Health and Human Services shall take such actions as may be necessary, in-
cluding reductions in force actions, consistent with sec-
tions 3502 and 3595 of title 5, United States Code, to reduce the full-time equivalent positions within the De-
partment 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 posi-
tions in the Department.

SEC. 503. REDUCING PERSONNEL IN WASHINGTON, D.C. AREA.
In making reductions in full-time equivalent posi-
tions, the Secretary of Health and Human Services is en-
couraged 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:

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"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
(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 insert-
ing 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:
“(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)”;

(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, respectiv" 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 allow-
ards that include the cost of heating and cooling and 1  
2 or more standards that do not include the cost of heating  
and cooling, and if the Secretary finds that the standards  
3 will not result in an increased cost to the Secretary. A  
5 State agency that has not made the use of a standard util-
6 ity allowance mandatory shall allow a household to switch,  
7 at the end of a certification period, between the standard  
8 utility allowance and a deduction based on the actual util-
9 ity costs of the household.”.

SEC. 908. VEHICLE ALLOWANCE.

Section 5(g)(2) of the Food Stamp Act of 1977 (7  
12 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 exclu-
sions from, financial resources, follow the regu-
lations in force as of June 1, 1982 (other than  
those relating to licensed vehicles and inacces-
sible resources).

“(B) ADDITIONAL INCLUDED ASSETS.—  
The Secretary shall include in financial re-
sources—

“(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 (II) 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 deter-
mination; 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 explo-
sives 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 follow-
ing:

“(IV) a conviction of an offense under sub-
section (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 mini-
mum 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 employ-
ment;

"(iv) refuses without good cause to
provide a State agency with sufficient in-
formation to allow the State agency to de-
terminate 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); or

“(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 sub-
paragraph (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 Govern-

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ment, 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 par-
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”;
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 require-
ment 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 partici-
porate in the food stamp program shall be eligible to partici-
pate 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 puta-
tive 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 pro-
gram 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 elec-
tronic benefit transfer system under subpara-
graph (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 gen-
erally accepted standard operating rules based
on—

“(i) commercial electronic funds
transfer technology;

“(ii) the need to permit interstate op-
eration and law enforcement monitoring;

and

“(iii) the need to permit monitoring
and investigations by authorized law en-
forcement 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”;

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(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”.

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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(e) 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 pro-
1. 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.".

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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 deter-
mined 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) 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 sub-
paragraph (A) or carry out a plan approved by the Sec-
retary, 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 So-
cial Security Act (42 U.S.C. 601 et seq.) or under the
food stamp program.

“(2) In operating such simplified food stamp pro-
gram, 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 pro-
gram 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(e).”.
(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.
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(1)—

(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 indi-"
vidual flees, or which, in the case of the
State of New Jersey, is a high mis-
demeanor under the laws of such State; or
“(ii) is violating a condition of proba-
tion or parole imposed under Federal or
State law; or
“(iii) has information that is nec-
essary for the officer to conduct the offi-
cer’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 ex-
cercise of the officer’s official duties.”.

SEC. 1003. SENSE OF THE SENATE REGARDING ENTER-
PRISE 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 wel-
fare dependency, high crime rates, poor schools, and
joblessness;
(2) Federal tax incentives and regulatory re-
forms 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 non-custodial parent to the custodial parent, regardless of the employment status or location of the non-custodial 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
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 Sec-
retary, through grants, contracts, or otherwise to provide
for abstinence education, and at the option of the State,
where appropriate, mentoring, counseling, and adult su-
pervision to promote abstinence from sexual activity, with
a focus on those groups which are most likely to bear chil-
dren out of wedlock.

“(b) For purposes of this section, the term ‘absti-
nence 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 activ-
ity 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 psycho-
logical 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(e)) 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.”.
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) IDENTIFYING 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
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 designa-
tion under this paragraph (2) and
rendering paragraph (5)(A)(ii) inap-
licable 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 agen-
cy,

"(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 pay-
ments will be coordinated,

"(C) describes how the State will obtain
the information on which the amount of ad-
vance earned income payments made to each
participating resident will be determined in ac-
cordance with paragraph (4),

"(D) describes how State residents who
will be eligible to receive advance earned income
payments will be selected, notified of the oppor-
tunity to receive advance earned income pay-
ments 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 excess-
sive advance earned income payments as de-
dscribed in subsection (g)(6),

"(I) commits the State to assess the devel-
opment and implementation of its State Ad-
ance Payment Program, including an agree-
ment to share its findings and lessons with
other interested States in a manner to be de-
scribed 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 participat-
ing 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
(e)(2)(B) by substituting 'between 60 per-
cent and 75 percent of the credit percent-
age 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 sec-
tion 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 resi-
dents, on a single statewide schedule, or on any
other reasonable basis prescribed by the State
in its proposal; however, in no event may ad-
vance 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 pay-
ment 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 in-
come 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.
Mr. HOBSOr. Mr. Speaker, I ask unanimous consent that the House adjourns today to adjourn to meet at 9 a.m. tomorrow.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 359

Mr. BEVILL. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 359.

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

There was no objection.

WELFARE AND MEDICAID REFORM ACT OF 1996

The SPEAKER pro tempore. Pursuant to the order of the House of today and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 3734.

PROVIDING FOR CONSIDERATION OF H.R. 3734, WELFARE AND MEDICAID REFORM ACT OF 1996

Mr. HOBSOr. Mr. Speaker, I ask unanimous consent that it be in order at any time for the Speaker, pursuant to clause 1(b) of rule XXII, to declare the House resolved into the Committee of the Whole House on the State of the Union for the consideration of the following:

H.R. 3734, the Budget Resolution for Fiscal Year 1997, the first reading of which was ordered on the file on February 25, 1997.

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

There was no objection.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the following:

H.R. 3734, the Budget Resolution for Fiscal Year 1997, the first reading of which was ordered on the file on February 25, 1997.


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Frankly, it is not fair to those folks. It is certainly not fair to those children who get raised in an environment where they seem to get confused about the issue of dependency and independence. I believe virtually everybody in this country wants to be independent from help from others. I believe that virtually everybody in this country wants to have a job. But I think that we have created systems, including the current welfare system, that have provided too many of the wrong incentives for people to avoid work or to be lulled into a sense of dependency. It is wrong for their children.

So what we attempt to do in this welfare bill is to provide generous amounts of money so that the children of people on welfare can be taken care of while the people who are on welfare get trained and get a job. We say at the end of the day, you must go and find a job. And at the end of the day, you must go and find a job. We will train you. We will help you find a job. And at the end of the day, you are going to have to get off of welfare and you are going to have to go to work. I think that is what most people in this country want.
and their children of the independence that they dream about. But this is a bill that in my judgment is a terrific victory for those who struggle every day to make ends meet.

There are the mothers and fathers who take their kids to day care. These are the mothers and fathers who on every paycheck sit down and try to figure out how they can make their ends meet. And these are people who do not get anything from the Government. They do not get food stamps. They do not get any form of welfare, any kind of subsidy from the Federal Government. These people get up and they go to work every day, and they struggle every day just to keep their heads above water. Frankly, they are the ones that are truly the American heroes in this country.

It is not the people who struck it rich and made millions or billions of dollars. It is not the NBA players who are signing contracts for $105 million. They are not the people who have been here for many, many years, have worked hard, have raised their children, and their children of the independence this country.

This bill today represents a terrific victory for those people who work every day and go to work. That is who we are dealing with in this bill. These are the people who find themselves stuck in a system that has not allowed them to become independent and, second, for those Americans who go to work every day, the real American heroes.

This bill is compassionate for those who really need the help. We recognize there are some people who, no matter what happens, are not ever going to get a job. Do you know what? We have got provisions that protect them. We recognize there are some people who will never become independent. That is a fact of life. We have got to deal with it. But we also recognize that, if we have a strong training, if we have a strong child care section and if we have a strong work requirement and we say to people, at some point you have a strong work requirement and that is a fact of life. We have got to do is to raise their children in a God-fearing country with decent values and security.

Mr. ROBERTS. Madam Chairman, I yield 4 minutes to the distinguished gentleman from Michigan [Mr. CAMP], a former member of the sometimes powerful House Committee on Agriculture, a current valued member of the Committee on Ways and Means.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. SABO. Madam Chairman, I ask unanimous consent to yield my first 30 minutes to the gentleman from California [Ms. ROYBAL-ALLARD] and that she have the authority to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

Ms. ROYBAL-ALLARD. Madam Chairman, I yield 2 minutes to the gentleman from Arizona [Mr. PASTOR].

Mr. PASTOR. Madam Chairman, I want to thank my colleague for yielding the 2 minutes.

We heard the chairman of the Committee on the Budget talk about a victory for America as we debate this bill and the consequences of it. I have to say that as we are going to hear some Members speak to inform us that this victory is not shared by all Americans. Americans who work hard, Americans who want to take care of the families, people who have been in this country for many years but because of their status as legal immigrants will not be able to share this victory.

Second, we do not give welfare to felons and noncitizens. Many people are not aware, the Federal Government has the flexibility to meet the needs of its citizens. My State of
I want to just speak a moment about the separation of policy versus politics in this debate, because we know it is sound policy to address the welfare system in this country, replacing welfare with a working populace of able-bodied people, but I do not think that is a political equation here. There has been for many months. We know that welfare reform has been passed twice by this Congress and vetoed both times. But our President, Bill Clinton, came into these chambers and delivered the State of the Union address in January, and he challenged us to secure a clean welfare reform bill back to him.

There were some politics associated with whether or not he might sign it. Take the credit and all of that. I want to say that as a freshman Member of this body, many of us have been very unfortunately blamed for some of the misfires of the last few months. We have been called unreasonable, radical, extremist. We, many of us, went to the leadership of our side, our party, Members of the Nevada delegation [Mr. ENSIGN] myself, and said let us disconnect Medicaid, health care for the poor, from welfare and do what the President asked us to do and send a clean welfare reform bill, and as the gentleman from Ohio [Mr. KASICH] articulated, the President is expected to sign that bill. He signed that bill, spending him substantive welfare reform, effective and efficient welfare reform, but we are sending him the clean bill that he asked for. We did make that decision on this side of the aisle to disconnect the two so that he could not say I do not want Medicaid attached to this.

This comprehensive bill provides the job training, the child care, the career education, those components that we all believe should accompany a comprehensive welfare reform bill. This is going to be one of the greatest successes of this Congress. You, he will get credit, but we will get credit. We are doing the people's business.

Ms. ROYBAL-ALLARD. Madam Chairman, I yield 2 minutes to the distinguished gentleman from California [Ms. LORCADA].

Mr. LOFGREN. Madam Chairman, I, until this Congress, was a member of the local government that had responsibility for administering the welfare program, and I felt, coming here, that there were a lot of changes I want to make. There is no doubt that a lot of things need to be fixed in welfare programs in this country. We need to put people back to work, we need to have expectations for work, we need to pay attention to child care, we need to change the whole system. But what concerns me is that once again the bill that Mr. ROBERTS, Madam Chairman, I yield 3½ minutes to the distinguished gentleman from Virginia [Mr. GOODLATTE] and take the House’s time to thank him for his contributions in increasing the trafficking penalties and bringing integrity to the food stamp programs that we have passed in the Committee on Agriculture and hope to pass on the House floor.

Mr. GOODLATTE. Madam Chairman. I thank the chairman of the Committee on Agriculture for his kind words.

Chairman, I yield 2 minutes to the distinguished gentleman from Tennessee [Mr. WAMP].

Mr. WAMP. Madam Chairman, I thank the gentleman for yielding the time.
to the Food Stamp Program. The Food Stamp Program is retained as a safety net. With other programs returned to the States in block grants, it is essential to be able to provide food as a basic need while States are undergoing the transition to State-designed welfare programs. States are permitted to use one set of rules for families applying for food stamps and AFDC. This provides one-stop service, making it more efficient. Therefore, the programs can become more taxpayer-friendly by eliminating red tape.

The Food Stamp Program is taken off automatic pilot. All automatic spending increases are ended except annual increases in food benefits. Able-bodied individuals without dependents must work. In keeping with the effort to encourage private sector employment and help people regain their independence, able-bodied people who are from 18 to 50 years old with no dependents would be eligible for food stamps for a limited period of time and then must work or participate in a workforce or training program in order to receive food stamps.

States are permitted to establish programs to encourage employers to participate in an improved wage supplementation program so that welfare recipients have the opportunity to work in real jobs. This means practical work experience in the real world.

For the first time, using forfeiture proceeds to reimburse law enforcement officials, is authorized. We want to stop criminals from profiting from the Food Stamp Program. Penalties for violating food stamp requirements are doubled, and the rules governing participation by related households while food stores have been tightened.

Under certain circumstances States may operate their own Food Stamp Program. Once a State has implemented an electronic benefits transfer, EBT system on a Statewide basis, recipients will have the option of operating a Food Stamp Program on a Statewide basis, remedied an electronic benefits transfer, or training program in order to receive food stamps.

This is a bad bill. The Republican bill is a repeat, a deja vu, of cutting billions of dollars, but yet not responding to the fact that we all can compromise with a few improvements and changes that will help welfare programs. We do not give them good health care, we do not provide safe and warm places for them to stay while those parents, those children, must work to work.

Under certain circumstances States may operate their own Food Stamp Program. Once a State has implemented an electronic benefits transfer, EBT system on a Statewide basis, recipients will have the option of operating a Food Stamp Program on a Statewide basis, remedied an electronic benefits transfer, or training program in order to receive food stamps.

This bill would lead another 60,000 Texas children into poverty.

This legislation is decidedly more mean spirited in its methods than any I have seen to date. It narrows the definition of disability for poor children seeking to qualify for Supplemental Security Income [SSI]. This bill would withhold vital cash aid for children with a wide range of serious disabilities including mental retardation, tuberculosis, autism, serious mental illness, head injuries, and arthritis.

Food stamp benefits would be cut severely, and the Federal guarantee of food aid could be ended on the State level as an option to the States. As an option to the States, the Food Stamp Program would help 14 million children.

The victims of domestic violence and their children would still have no assurance that, if they escape the violence, they could at least survive with cash assistance until they are able to find work.

Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. TORRES].

Mr. TORRES. Madam Chairman, I thank the gentlewoman for yielding this time to me. I am struck by the message that the gentleman from Ohio [Mr. KASICH], the distinguished chairman of the Committee on the Budget, talked about the parables of sin and that it is sinful not to help. At the same time, he said it is a sin not to help one's self, and I talked about his community and where we grew up and how that community pulled itself up by the bootstraps. And that is well and good; that is the story of our country.

But what about when we have bad times? What about when we have depressions? What about my community when I was growing up, where I was born, when we had a Great Depression? My father was deported because he was from the other side of the border and he was working here as a copper miner. My mother was left alone with my brother and I. We were on welfare, we were in service. The last thing I remember, that we were on relief. We were fed, we were not hungry. I wore corduroy pants. My colleagues remember that, those that remember the Depression. I wore those corduroy tennis shoes. We stood in lines for food.

Thank heavens for relief or welfare, what it was called then, and, yes, we want to change welfare as we know it today, we want to reform theills of those people who exploit and cheat on welfare. But what about the people that cannot find jobs? What about the incapacitated people? What about the homeless who have lost their jobs and because of that they have lost their homes and had to move and live out of their vehicles or live in parks?
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What about the elderly, who, as was mentioned here earlier, are legal immigrants who came here many, many years ago and worked hard and paid taxes and sent their sons and daughters to war to defend this Nation, and here they are, they are some who have been widowed, alone, will not be given the kind of assistance because they are legal immigrants.

What a shame, what a shame of this country. We cannot tolerate this.

What about the children, the millions of children that will be put on the street because of this less-thanhonorable Republican bill? In 70 percent of these families one of the parents is probably already working, but yet those children will be denied. What about the children of immigrants in this country, children who were born here or in the time of need, elderly, widowed, alone, will be denied Medicaid or food stamps, or disabled children who will be denied SSI benefits all because, as I said, they made the mistake of choosing their parents?

This is unconscionable. We need to come back to the table and negotiate a welfare bill that is right for this country in these times. We need to send the President a bill that he can sign. I simply say, we need a better program. We cannot allow this bill to be passed.

Ms. ROYBAL-ALLARD. Madam Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

Ms. WATERS. Madam Chairman, this is not welfare reform; this is welfare bashing. Welfare reform has become the political football in this election year. Children and families are going to be hurt if this bill is signed into law. Poor children in families will be hungrier and they will be poorer. Yes, some politicians will use this bill to get reelected, rather than spend their time to produce credible, sensible, welfare reform.

Madam Chairman, I believe in welfare reform and I believe we can do a better job. This bill gets rid of all the entitlements. That means you can have a family and you have to work. Some have an older mother and father worked hard for the last 20 years and all of a sudden they are downsized on the job, the job exported somewhere to a Third World country for cheap labor. They could go in for welfare benefits and, because they are in the entitlement, they can say I am sorry, I cannot give it to you. Money has run out. Sorry, there is none left for you. That does not make good sense.

It puts a 5-year limit on the time that you can receive benefits. That does not make good sense. It means that some people who could get off welfare in 6 months or a year, and some who may have college education and all they need to do is just get back into the workplace with a little assistance, a little experience. There are others who dropped out of school a long time ago, who may be illiterate. It is going to take them a longer time. They need to be job trained, they need to have their GEDs, they need to get some experience, they need to be helped to get back into the workplace.

It does not make good sense. Madam Chairman, to treat everybody the same. We must assess each individual and determine where their strengths are, where their weaknesses are. Most welfare recipients want to be independent. They do not like being on welfare. We need to have credible child care, we need to have credible job training programs. They will get off.

If politicians would simply use their time and their talent to create credible welfare reform for this country, we could get people off welfare, but this is welfare bashing. This no entitlements, everybody off at the same time, this does nothing to deal with real welfare reform. Members are going to starve some children. They are going to take their money on welfare reform. What is that? If a family only makes about $6,200 a year, they are going to take food out of the mouths of hungry children in this election year, having people believing that they are protecting their taxpayr dollars.

I want to tell the Members, nobody is going to be protected. What we are going to have is more desperate families out there, more desperate mothers and fathers who will say, 'I am not going to allow these children to be hungry. I am not going to allow them to exist this way. I have done everything that I could. I worked hard every day.'

"When I went to the welfare office after having worked 20 years, you told me there are no more entitlements. I cannot get any help." Is that fair? No. It is not. It is not fair to have entitlements and non-credible nonsensical welfare bill. It does nothing to deal with real welfare reform. Members are going to starve some children. They are going to take their money on welfare reform. What is that? It is fair to have entitlements and equal application of the law. I ask my colleagues in the House to reject this non-credible nonsensical welfare bill.

Mr. ROBERTS. Madam Chairman, I yield 2 minutes to the gentleman from Georgia [Mr. KINGSTON].

Mr. KINGSTON. Madam Chairman, I have been listening to them, about children and so forth. This is the same rhetoric we heard from the same group very well paid for and paid for when we tried to change some of the other entitlement programs, not to have a complete overhaul but to target the areas that are wasting money, to try to reduce the bureaucracy of Washington. Yet, we hear from the same people. To my knowledge, we have not heard from one Democrat who has ever supported a welfare reform bill on the floor of the House.

Madam Chairman, I think what we are really hearing is people who are against welfare reform. I am a father of four children. If I do not want to see any kids starving out on the street, I do not want to throw any elderly out. I am hearing people debate a bill that is not even on the floor of the House.
3734. "End welfare as we know it" was what was said during the last campaign. Let us take a look at this question of ending welfare as we know it. On June 27, 1996, the Committee on the Budget released the Republican vision, and I use that word loosely, of welfare reform; and some of the details that have surfaced, they certainly need to be looked at more closely.

Currently the welfare system in this country is one that in some cases does foster cycles of dependency. Many times a parent cannot get off welfare rolls because she cannot get a job that will provide a living wage for herself or her family, get quality child care for her family, get adequate housing for her family, get adequate health care for her family.

If we are going to end welfare as we know it, does this help to accomplish those things? The answer is definitely no. Providing jobs and job security will change this type of system to promote one that encourages self-sufficiency. However, we are unwilling and we are unable to invest the necessary resources to accomplish this.

However, without the adequate support in places, opportunity for employment, opportunity for day care, opportunity for an adequate salary, and to promote and encourage self-sufficiency, taking this punitive approach to drop people from the welfare rolls will be damaging.

In our subcommittee a resolution that was brought up to say that if a person cannot find a job when the time expires, will they be able to continue to have benefits, and the Republican Members of the committee all voted no, throw the children out.

So because we are addressing the root causes, the lack of adequate jobs, the underlying conditions of the problem will continue to exist. An experiment conducted in my home State of New Jersey and also in Illinois found that 90 percent of welfare recipients who found jobs were able to break the cycle of poverty. It was very simple. They were able to work their way out. Yet, only 2 percent of those that had to depend on the system were able to break the cycle of poverty. The answer is jobs.

We had 100 jobs available in the city of Newark. Fourteen hundred people started to get in line at 6 a.m. for those 100 jobs. It was not even 100. They said possibly up to 100, but maybe 50. Fourteen hundred people went and waited for hours and hours to apply for the jobs. They had to stop to break the cycle of poverty. It was very simple. They were able to work their way out. Yet, only 2 percent of those that had to depend on the system were able to break the cycle of poverty. The answer is jobs.

Mr. ROBERTS. Madam Chairman, it is a pleasure to yield 2 minutes to the gentleman from Iowa [Mr. GANSKE], a gentleman whose testimony before the Committee on Ways and Means helped shape the reform bill that is now on the House floor.

Mr. GANSKE. Madam Chairman, before coming to Congress I was a physician in Des Moines, IA. My wife is a family physician. My wife has helped 13-year-old girls deliver their babies. I have taken care of 15-year-olds who have gunshot wounds to the head, and 17-year-olds who have needle track infections up and down their arms and probably have AIDS because of it.

I took care of a 15-year-old young woman who brought their babies into my office with a cleft lip, a cleft palate, a hand deformity, and there would almost never be a dad there with them. My heart would go out to them because they had a hard road ahead of them. It is one thing to take care of a little baby who is 2 years old as a single parent. It is quite another thing to take care of a 15-year-old boy who has never had the advantage of a dad, who gets involved with a gang, and then ends up shooting himself or somebody else.

We have to do something about the illegitimacy problem. In Iowa alone there were 9,000 illegitimate births last year. Next to my office, in neighborhoods close to where I practiced, there was a 60-percent illegitimacy rate in Des Moines, IA. That is why I testified before the Committee on Ways and Means in February 1995. I advocated offering States an incentive to reduce the illegitimacy rate by 1 percent, and 10 percent for lowering the illegitimacy rate by 2 percent below the 1995 level.

This legislation is needed. We need to give States the incentives to address the illegitimacy problem. It is a two-step problem. It is a problem with the young women. That is why in this bill there are strong provisions to make the young fathers responsible economically for their children. We need to pass this bill.

Ms. ROYBAL-ALLARD. Madam Chairman, I yield 5 minutes to the gentleman from New Mexico [Mr. RICHARDSON].

(Mr. RICHARDSON asked and was given permission to revise and extend his remarks.)

Mr. RICHARDSON. Madam Chairman, I hope that I can stop personalizing and politicizing this bill. All I seem to hear is Democrats, Republicans, do this. I want to talk to Members about people. I want to talk to Members about legal immigrants, men and women who are here legally, pay their taxes, serve in the military, but are taking illegal and local and in all of the bills we are debating today.

The bill that is the centerpiece of the majority retains very harsh and uncompromising language. While we all support the strengthening of requirements and the sponsors of legal immigrants applying for either SSI, food stamps, or AFDC, the bill bans SSI and food stamps for virtually all legal immigrants and imposes a 5-year ban on other Federal programs, including nonemergency Medicaid; imagine that, nonemergency Medicaid, for new legal immigrants. These bans would also cover legal immigrants who become disabled after entering the country, families with children, and current recipients.

Madam Chairman, 3 million immigrant children, 3 million, are affected. That is not right. That is not the tradition of this country.

Mr. ROBERTS. Madam Chairman, this bill unfairly shifts costs to States with high numbers of legal immigrants. The bill requires virtually all Federal, State and local benefits programs to verify recipients’ citizenship or alien status. These are new unfunded mandates for States, local, and nonprofit service providers and barriers to participation for citizens.

Again, let us look at the facts. First of all, legal immigrants work hard and pay taxes. That has been documented. The foreign-born are more likely to work than the native-born, 77 to 74 percent.

In 1992, Business Week estimates legal immigrants work and earn at least $240 billion a year and they pay over $30 billion in taxes.

Legal immigrants are a net benefit to the economy. A new Urban Institute study: For every increase of 100 people in the native population, employment grew by 26 jobs; and for every increase of 100 in the immigrant population, employment grew by 46 jobs.

Research shows that immigrants actually complement native workers rather than substitute for native workers.

If no Mexican immigration had occurred between 1970 and 1980, 53,000 production jobs, 12,000 high-paying non-production jobs, and 25,000 jobs in related industries would have been lost. Again, this is the respected, bipartisan Urban Institute.

Welfare among legal immigrants is low. Among nonrefugee immigrants of working age who entered during the 1980’s, 2 percent report welfare incomes versus 3.7 percent of working age natives.

Nonrefugee immigrants of working age are less prone to welfare use than native-born illegal immigrants, a CATO study.

Madam Chairman, all of us here want welfare reform. It is not true that these gentlemen on this side and others on that side have not voted for welfare reform. That is the number one issue among our constituents. What we are doing now is targeting illegal and legal immigrants indiscriminately. What we are doing is turning the clock back to a darker time when people in America, but only certain people in
America, lived and worked under the shadow of second-class status. There is no justification for targeting immigrants who do not abuse the welfare system, who work hard, who play by the rules, who pay taxes, and who serve in the military at America's calling. Most immigrants are long-term residents who have lived in this country and have paid taxes for 10 years or more. Immigrants do not come to this country to take advantage of our welfare system.

So, Madam Chairman, here we face a number of bills, substitutes. Let me say that legal immigrants take a hit in all bills. So as a Hispanic American whose mother is Mexican and as many in this body that should be rejected, and we should stand behind the best traditions of this country.

Mr. ROBERTS. Madam Chairman, I yield 1 minute to the distinguished gentleman from Nebraska [Mr. BARRETT], chairman of the Subcommittee on General Farm Commodities of the Committee on Agriculture. Mr. BARRETT of Nebraska. I thank the chairman for yielding this time.

Madam Chairman, despite having invested more than $2 trillion, the Federal Government's 30-year war on poverty has instead created a war of poverty. Along with giving States and communities more flexibility in designing welfare programs, H.R. 3734 will provide welfare recipients with a better coordinated system of child care. The bill will provide $4.5 billion more for food stamps and is currently available and it will consolidate 7 separate programs that have often left child care providers, and families, confused and without assistance.

The bill is tough on getting welfare recipients back to work but without these improvements in child care assistance, welfare families may not be able to afford work and pay for child care at the same time.

Madam Chairman, while the bill provides more funds for child care, it will make other needed reforms that should save $33 billion over 5 years. Can we count on the Government to put the money simply into the State coffers without that guarantee. It is the destruction of that entitlement that troubles me the most.

The Chairman of the Committee on the Budget also said that this is a victory for the children that will be left out of this program, and it is certainly not a victory for legal residents of this country who came to America with the promise of liberty and equal treatment, and they are going to find themselves now without the protections if they become disabled, without financial assistance, or become impoverished, as every other American. That is what is wrong. This is not welfare reform. It is destruction of the basic guarantees of our democracy.

For the current welfare system compassion? The answers to all of these questions are an obvious no, the current welfare system is not compassionate and it does destroy families.

What effect has our welfare system had on crime rates? What effect has it had on out-of-wedlock births? What effect has it had on the work ethic in America? Our bill gets people off welfare and into work. That is true compassion.

Our bill does stop noncitizens from receiving welfare benefits. I am sorry. I believe that welfare benefits should only be reserved for citizens of the United States. It is currently law in the United States that if you are a noncitizen that comes here and you go on the Government dole, that is grounds for deportation, has been the law, at least during this century. That is grounds for deportation here. We are an opportunity society. We want to attract people from around the world to come here to better their own lives and to better this country at the same time.

My mom when my parents were divorced when I was about 3 years of age would have made more money going on welfare because she had no child support. She had three kids to raise. But I saw my mom each and every single day get up and go to work. That taught me a work ethic that we are robbing from welfare families today. The children of welfare families are losing that. That is not compassion. We want to be an opportunity society that takes people and provides them opportunities.

Our bill provides money for child care, $2 billion more than the President, and also transition health care for children in the time that these welfare moms and welfare families are getting off of welfare and into work.

Ms. ROYBAL-ALLARD. Madam Chairman, I yield the balance of my time to the gentleman from California [Mr. BECERRA].

The CHAIRMAN. The gentleman from California is recognized for 5 minutes.

Mr. BECERRA. Madam Chairman, I thank the gentlewoman from California for yielding me this time.

Madam Chairman, let me begin by first thanking many of my colleagues and the folks within my own leadership for the time and effort that has been spent with many of us who have had concerns about welfare and the current welfare reform. I want to thank those who took the time to hear us out. Unlike some of the folks on the other side of the aisle, there has been a great deal of effort on the part of our leadership and many of the members of our caucus, from both sides of the spectrum, to try to address issues of grave concern to us all.

As President Clinton has said, the current welfare system is broken and must be replaced. This is true for the sake of the people who are trapped by it as well as for the taxpayers who pay for it.
But when we began to consider reforming welfare, discussions centered on providing sufficient cash to enable recipients to leave welfare for work, on rewarding States for placing people in jobs, on restoring the guarantee of health coverage for poor families, on requiring States to maintain their stake in moving people from welfare to work, and on protecting States and families in the event of economic recession and population growth. But this House bill has failed miserably in achieving these goals.

In its place, we are left with catchy slogans and soundbites of setting time limits so you are off if you do not make it, if you do not cut it. We block grant in this bill, give you a lump sum of money which looks good but never is enough to cover your needs in the States. And we talk about, as we have heard some of the Members on the other side of the aisle, about the principle of welfare in America and the families in America, and they use as graphic a term as they can to try to describe these human beings who are in this country, one, legally; are in this country, two, paying taxes; are in this country, three, will and ready and obligated to serve in time of war, as many have, for this country even though they have yet not become U.S. citizens.

The effect of this bill, well, it is weak on work. They force people off of welfare, but they do not help them get into work. It will shelve more children into poverty, and we know that from many of the studies, and everyone across the board says that.

Let me focus finally for the rest of my time on this one last issue: The hidden tax that you do not hear many people talk about. There is a tax in this bill. Let us go ahead and disclose it now.

Thirty billion dollars of the so-called savings that amount to $60 billion comes from a particular population of people, not because they are lazy and do not work, not because they have come into this country without documents. These are folks who happen to be immigrants; they haven’t yet reached the stage of becoming citizens. But this population of legal residents in this country who are entitled to be here, who are working, on requiring States to maintain their stake in moving people from welfare to work, and on protecting States and families in the event of economic recession and population growth. But this House bill has failed miserably in achieving these goals.

Little time remained, so the majority leader called for a vote on the first test of a new budget resolution on which the two Chambers would need to agree to vote on the budget as written, rather than as offered by the Senate.

Bill was an expert in regard to enforcement in the Food Stamp Program, estimated by the new Inspector General at the Department of Agriculture, anywhere from $3 billion to $5 billion is now going to fraud and abuse. So we are tightening those controls, and we curb the trafficking with increased penalties.

Now that is real reform. It is essentially the same bill that was approved by the House, last year, by a vote of 245 to 178. One significant exception, the food stamp funding cap is eliminated.

Now, that cap was eliminated as a concession to and at the request of the National Governors’ Association, the Clinton administration, the Secretary of Agriculture. We sat down and we worked with all of these folks. Food stamp reforms still include measures to control the cost of the Food Stamp Program, however.

The bill represents sound policy. The program is retained as a Federal safety net. States are allowed to harmonize their AFDC and Food Stamp programs. As I indicated, the food stamps are taken off of automatic pilot, except for the annual food benefit increases; able-bodied persons without dependents must work; and there are increased penalties for trafficking and fraud.

It is a good package. Through the reforms in this bill, the committee will meet its target under the 1997 budget resolution. But, first and foremost, we reform the program.

Last year, Clinton administration submitted its welfare reform bill. There are many similarities between the two bills, since we adopted many of the USDA proposals and they in turn adopted many of ours. A review indicates that 55 percent of the provisions of either the identical or very similar—72 percent in agreement with the USDA and the Clinton administration. We worked hard to do that.

There are some differences. We take the Food Stamp Program off of automatic pilot for all but annual food increases. If needed, we can come back in; we can appropriate the funds, and the administration bill does not.
We have a strong work requirement. We expect able-bodied persons, no dependents, between the ages of 18 and 50, to work or be in a training program after 4 months of food stamp benefits. The administration’s work requirement, as far as I am concerned, is very weak. We need to operate work supplementation programs and the administration does not.

This program now provides benefits to an average of 27 million people each month at an annual cost of more than $26 billion. Everybody should agree that for the most part these benefits go to families who cannot afford to buy food. There is no question in my mind that the Food Stamp Program helps poor people and those who have temporary fallen on hard times. However, there is also no question in my mind that the program is in need of real reform.

As I have indicated, this bill reflects the principle that the Food Stamp Program should remain a Federal program. States will be undergoing a transition to State-designed welfare programs. During this period, this Food Stamp Program will remain as a safety net and will provide food as a basic need. The program will remain at the Federal level and equal access to food for every American in need is still ensured.

Now, I mentioned we had taken the program off of automatic pilot except for the controls. The Food Stamp deduction is kept at the current levels instead of being adjusted automatically. Food stamp benefits will increase to reflect the increases in the cost of food. Food stamp spending will no longer grow out of control. Of control: 1984, $12.4 billion; 1996, $26.4 billion; 2000, $30.4 billion. It increases, does not decrease.

It is a transition, but we stop that annual growth increase. If the economy goes down, food stamps went up. If the economy went up, food stamp spending went up and the participants went up.

The food stamp deductions, as I have indicated, are kept at the current levels, and as I have indicated, the spending will certainly no longer grow out of control. Oversight from the Committee on Agriculture is essential so that when reforms are needed, why the committee will act.

I want to talk about the strong work program. Again, able-bodied persons between the ages of 18 and 50 years, no dependents, will be able to receive food stamps for 4 months. Eligibility will cease at the end of this period if they are not working at least 20 hours per week in a regular job. The rule will not apply to those who are in training programs such as approved by a Governor of a State.

A State may request a waiver of these rules if the unemployment rates are high or there is a lack of jobs in the area. Please remember that. We are not heartless. We just expect able-bodied people between 18 and 50 who have no one relying upon them to work at least half the time if they want to continue to receive the food stamps.

It is essential to begin to restore integrity to the program. Incidences of fraud and abuse are steadily increasing. The public has lost confidence in the program. There are frequent reports in the press and on national television in regard to abuse. We held the hearing in the House Committee on Agriculture. The Inspector General of the Department, Mr. Viadero, came down from the Department, showed on television the massive fraud in many food centers that were not food centers, they were trafficking centers for organized crime.

Abuse of the program usually occurs in three ways: Fraudulent receipt of benefits by recipients; street trafficking in food stamps by recipients; and trafficking offenses made by retail and wholesale grocers. We double the disqualification period for food stamp participants who intentionally defraud the program. First offense, the period is changed to 1 year. Second offense, the disqualification period is changed to 2 years. And if you are convicted of trafficking food stamps with a value over $500, you are permanently disqualified.

As I have indicated, the trafficking by unethical wholesale and retail food stores is a serious problem, had it on tape, national television, sickened the American public, not fair to the recipient, not fair to the taxpayer. Also, benefits Congress appropriates for needy families are going to others who are making money from the program. Therefore, the bill limits the authorization period for stores and provides the Secretary of Agriculture with other tools to ensure that only those stores abiding by the rules are authorized to accept food stamps. It is amazing that that was not changed before.

Finally, the bill includes a provision that all property used to traffic in food stamps and the proceeds received by the taxpayer. Also, property used to traffic in food stamps will be subject to criminal forfeiture. They have to give it up.

This bill and the Committee on Agriculture’s contribution to the bill, I think, represents good policy. We have taken the Food Stamp Program as a safety net for families in need of food. We have taken the program off of automatic pilot. We save $23 billion. Congress is back in control of spending on food stamps. States are provided with the option to harmonize food stamps with their new AFDC programs. We take steps to restore integrity to the Food Stamp Program by giving law enforcement and the Department additional means to curb fraud and abuse. We encourage and facilitate the States to pull billions of dollars out of the country, requires States to maintain work, understands the diversity of this country, requires States to maintain their efforts, rather than allowing the States to pull billions of dollars out of the program, as the Republican plan does.

Madam Chairman, this country would be well-served if tomorrow a majority of this House in a bipartisan fashion would vote for the bipartisan substitute amendment that is going to be offered.

Mr. SABO. Madam Chairman, I ask unanimous consent that I be allowed to yield the remainder of my time to the gentleman from Texas, Mr. STENHOLM, and the gentleman from Utah, Mr. GREENE, and the gentleman from Texas, Mr. STENHOLM.

Mr. STENHOLM. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, it has been stated numerous times already tonight that the House now has a historic opportunity to move toward enactment of meaningful welfare reform legislation, discouraging the cycle of dependency and moving welfare recipients into work. I could not agree more. But I believe the legislation I am supporting is the best way for the House to realize that opportunity.

The SPEAKER pro tempore (Ms. GREENE of Utah). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STENHOLM. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, it has been stated numerous times already tonight that the House now has a historic opportunity to move toward enactment of meaningful welfare reform legislation, discouraging the cycle of dependency and moving welfare recipients into work. I could not agree more. But I believe the legislation I am supporting is the best way for the House to realize that opportunity.

The SPEAKER pro tempore (Ms. GREENE of Utah). Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. STENHOLM. Madam Chairman, I yield myself such time as I may consume.
My objections to the Majority bill come down to two simple concerns: I believe their proposal is weak on work and tough on kids. In my book, that's a bad equation that is fixed by the Castlegate SUBSTITUTE.

This SUBSTITUTE achieves $3 billion in savings in welfare programs as required by the Majority-approved budget, while protecting children and providing States with the resources that CBO says they need to put welfare recipients to work.

I am proud of the work performed by my constituents. They invested their time and energy, they engaged in dialogue, with individuals of a different perspective, they developed common goals, and they promoted concrete suggestions for improvements. They did the work I asked of them and now it's my turn to do my part here in Washington. That is precisely how I ended up here. I am one of the strongest supporters of the Castlegate SUBSTITUTE. It is the only welfare reform alternative that provides local communities with the support they need to move welfare recipients to work.

The welfare reform bill proposed by the Majority falls well short of giving states flexibility or the resources they need to implement welfare reform proposals. The National Governors Association adopted a resolution yesterday expressing "concerns about restrictions on states flexibility and unfunded costs" in the House welfare bill. That is the Governors' Association. The Republican bill rejects the NGA recommendations for state flexibility in developing work programs appropriate for local communities and does not provide any additional funds for states to meet the increased work requirements.

CBO has estimated that the Republican bill would fail $12.9 billion short of the funding for work programs necessary to meet the work requirements in the bill, and $800 million short of the costs of providing child care assistance to individuals required to work. The CBO report accompanying the Republican bill states:

- * * * concludes that most states would fail to meet these [work] requirements.
- * * * most states simply would accept the penalties rather than implement the requirements.

That is CBO. The same CBO we talk about day in and day out that we need to pay attention to. The Castlegate SUBSTITUTE is the only proposal that has real work requirements that the Congressional Budget Office says States will be able to implement to move welfare recipients to work.

Madam Chairman, over the last two years I have solicited the views of welfare providers, recipients, and local citizens in my district on what Congress should do to allow local communities to implement effective welfare reform. The citizens in my district expressed a very strong desire for local flexibility and adequate funding to design work systems that would more efficiently and effectively move welfare recipients from welfare to work.

As we said, we do have an historic opportunity to reform our failed welfare system. We cannot afford to waste this opportunity. The House can take a tremendous step toward ending the political gridlock and finding a bipartisan solution to the problems of our welfare system by passing the Castle-Tanner substitute.

The Castle-Tanner SUBSTITUTE proves that it is possible to dramatically reform the welfare system in this country without harming children, while still achieving substantial budgetary savings.

As Mr. ROBERTS just said, "My colleagues and I yield 2 minutes to the gentlewoman from Kansas [Mrs. MEYERS], the distinguished chairman of the Committee on Small Business, the original author of welfare reform, and I ask unanimous consent that she be authorized to yield additional time to others." I strongly encourage my colleagues to support this measure, because I believe it will save lives, restore hope, and help those who want to experience the American dream.

Mr. ROBERTS, Madam Chairman, I yield 1 minute to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Madam Chairman, I thank my colleague from Texas for yielding me this time.

Madam Chairman, Republicans and Democrats all agree that the current welfare system does not work. Instead of requiring work, it punishes those who go to work; instead of encouraging personal responsibility, it encourages dependence on the Government; and instead of encouraging marriage and family stability, it penalizes two-parent families and rewards teenage pregnancies. We all agree that welfare must be reformed and that welfare should only offer transitional assistance leading to work, not a way of life. Real welfare reform must be about replacing a welfare check with a paycheck. Tomorrow we will have two choices before us, the Republican welfare bill, and the Castlegate bipartisan substitute. The bipartisan bill is the bill that will ensure that welfare reform really works.

The bipartisan bill gets people into the workforce as quickly as possible, while providing money for work requirements to be effective. It includes restrictions that force people to make transition to work a reality and not just rhetoric. The Castlegate bipartisan bill provides $3 billion in supplemental funds for states to meet the work requirements of H.R. 3734. That is precisely how I ended up here. That is the language because CBO says it falls short regarding the greatest unfunded mandate Congress ever imposed if it is not backed up with funding for states and localities to meet the work requirements.

Welfare reform will fail to meet the goal of ending the cycle of dependency and moving welfare recipients to work if states do not have sufficient resources to operate work programs. As the CBO report makes abundantly clear, the work requirements in H.R. 3734 are illusory because states will not be able to implement them. If you support breaking the cycle of dependency and actually moving welfare recipients into work instead of just talking about it, vote for the Castlegate SUBSTITUTE.

The Castle-Tanner SUBSTITUTE proves that it is possible to dramatically reform the welfare system in this country without harming children, while still achieving substantial budgetary savings.

As we said, the House can take a tremendous step toward ending the political gridlock and finding a bipartisan solution to the problems of our welfare system by passing the Castle-Tanner substitute. Tomorrow, I urge my colleagues to vote for the bipartisan Castle-Tanner SUBSTITUTE.

Madam Chairman, I reserve the balance of my time.

Mr. ROBERTS. Madam Chairman, I yield 1 minute to the gentlewoman from Florida [Mrs. FOWLER].

Mrs. FOWLER asked and was given permission to revise and extend her remarks.) Mrs. FOWLER. Madam Chairman, I have a few questions for the defenders of the present welfare system.

- Is there compassion in a system that encourages illegitimacy and undermines traditional values like work and family?

Is it compassionate for generation after generation to be trapped in dependency and despair?

The answer is: No. Compassion is not measured by dollar signs. For thirty years, we have poured trillions of dollars into a system that does not work. It destroys families; devastates women; and crushes the hopes and dreams of children. There is nothing compassionate about our current welfare system.

The bill we are considering today replaces Washington bureaucrats with caring social workers at the state and local level. It gives States flexibility to develop their own solutions for helping the needy. It provides child care for welfare mothers who want to work. It rewards work while retaining a safety net for those who fall on hard times, and it provides for comprehensive child support enforcement.

I strongly encourage my colleagues to support this measure, because I believe it will save lives, restore hope, and help those who want to experience the American dream.

There was no objection.
I am pleased that in this bill reducing out-of-wedlock births is recognized as an important and essential part of reducing welfare dependence. I am pleased that the Subcommittee on Procurement, Exports, and Business Opportunities portion of the bill makes major critical reforms in Federal support for child care. We address the current maze of child care programs. We have multiple child care programs and each one has its own eligibility rules. Under this bill there would be a single child care program so that our expenditures for child care can be an important help rather than an obstacle to independence from welfare.

We increase the amount of money for child care. That is the second false claim I hope we do not hear in this debate, that the bill is short on child care. We have $4.5 billion more than the current law and almost $2 billion more in guaranteed money for child care than does the President’s plan.

So I hope we do not hear any claims from the other side that the bill is short on child care. Let me talk about two other parts of the bill that were reported by the Committee on Economic and Educational Opportunities. One is the child protection block grant. Child abuse is a terrible problem in this country. Despite the fact that there have been a lot of programs set up at the Federal level, our efforts at preventing child abuse have not been very successful because it is made up of numerous small disparate single-purpose grant programs. The bill consolidates six of those programs into a block grant with increased funding.

In addition, instead of keeping most of the money in Washington, the bill sends most of the money to the States, which, of course, are the ones who actually deal with the problems of broken families and broken homes.

Finally, let me address the child nutrition area. We make no changes in reimbursements for school lunches or breakfasts. This is the only child nutrition program which is not income tested, meaning that we currently pay the same full subsidy to buy lunches and breakfasts for children of millionaires as we do for the children of the poorest families. This is long overdue reform that is included in this legislation.

Madam Chairman, I reserve the balance of my time.

Mr. STENHOLM. Madam Chairman, I thank the gentleman from Texas for yielding me the time.

Mr. WYNN. Madam Chairman, I agree, the current welfare system does not work. It should be changed. As a result of the current welfare system, its recipients have lost self-respect. We have created a system of dependency and put welfare recipients outside the mainstream of American society. If all we were talking about was putting able-bodies people to work and solving food problems, we would not have much of a debate.

The fact is today that the Republican bill is seriously flawed. It lacks compassion. It hurts children. And it reflects a continued pattern of extremism.

Let’s talk about the children. Children are going to be harmed by this bill because it makes no provision for the reality that, when benefits run out or their parents are put out of the program, these children still have to eat. There are no vouchers. I am here today to be supportive because I believe it does contain compassion in that it provides for these circumstances by requiring States to offer vouchers when benefits run out so that children are not harmed.

Let me be blunt. I do not believe we should target legal immigrants, but I am pressed with the Tanner-Castle bill. Tanner-Castle amendment, excuse me, because it addresses the concerns of immigrant children. Under the Republican plan, 300,000 immigrant children will be hurt. They will starve because they will be denied food assistance. This problem is corrected under the Tanner-Castle alternative. Those children will be able to get food assistance under that program. Disabled immigrant children will also be able to get assistance under the Tanner-Castle amendment.

Also under the Republican plan, 1.2 million women and children will lose Medicaid coverage as they transition from welfare to work. This problem is also corrected by the Tanner-Castle
proposals, which extends Medicaid benefits during this transition period.

The Republican plan is flawed on a second count. It provides inadequate work programs. There is no support for work, only a lot of rhetoric. The CBO, their favorite source, says that the bill is $12 billion short of what is needed for work requirements. This creates a large unfunded mandate, something they also say they abhor because States will have to bear the burden. Tanner-Castle again responds to this concern by being the only bill that provides additional funds to States so that they can implement work requirements. That is why we say the Republicans are weak on work.

The Republicans are also inadequate in child care. Again CBO says they are $800 million short of the child care assistance necessary to provide for real transition to work.

The problem is they are not serious about putting people to work. The Tanner-Castle substitute on the alternative provides sufficient child care assistance, an additional $2 billion for child care assistance to ensure that people who want to go to work and have children can do so.

CBO concludes that under the Republican bill, rather, States would fail to meet their work requirements.

Reject false welfare reform. Adopt a realistic and sound alternative.

Mr. CUNNINGHAM. Madam Chairman, I yield 4 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. CUNNINGHAM. Madam Chairman, many have spoken about the destruction of the welfare system. I think Republicans and Democrats alike can agree that this system failed and the rebirth of a failed system. Ninety percent of the American people believe that the current system has failed, and we need to work on it.

Republicans do not have a key on the welfare system plan. We produced in the House of Representatives a bipartisan plan. It passed this House. In the Senate, Senator Dole worked and passed a bipartisan welfare plan. They did that twice, bipartisan. And both times the President vetoed it.

Then the Governors of this great country called for a plan. They said that if Congress cannot do it, let us have the Governors, that have got the direct responsibility in their States to take care of it, produce a plan. And they did so. In a bipartisan manner. Republican and Democrat Governors were their favorite source, says that the bill and the President would still not sign that plan. Even today, the Governors are working, again, to come up with a plan.

I would say that I used to teach in Hinsdale. We had three great schools: Hinsdale Central and New Trier and we a few miles away there are miles and miles of Federal housing. I would say to my colleagues, those children do not carry books. They carry guns. Their ideologues and their role models are pimps and drug dealers. What chance, what opportunity, what portion or even the pursuit of happiness do those children have? next to none.

The pregnancy rate, I rode on an airplane with an African-American. And he told me, he said, ‘DUKE, our neighborhoods used to be proud neighborhoods. We had industry next to us. The people had jobs. They took pride in those neighborhoods, whether it was Harlem, whether it was Chicago, whether it was any of our major great cities. The work was there, people started working. When you had a follow-on of generation and generation, where the person did not work and did not take the responsibility. Pretty soon the businesses started moving out of those communities. So I think the biggest welfare reform is re-establishing, like Jack Kemp, one idea of the enterprise zones to bring the businesses back into the inner cities so that we can have those jobs for people to work. We can work on that together. The substitute, there is no reason why we cannot come together. I think we have a good bill. But education is another one.

Let me tell my colleagues in California how welfare and education and a lot of different things have been hindered. I have almost 800,000 illegals, K through 12; 800,000. Take just 400,000, half of that. At $2 billion a year. That is a $1.2 billion a year. Take 7 years. What we could not do with our school systems. I truly believe that education has a vital role in keeping people off of welfare. If you do not believe that, I think you are on the wrong tree.

Over half of the children born in Los Angeles are born to illegals. Take the School Lunch Program that you fight for. My priority is the American citizen and the American children. The School Lunch Program at half the number we actually have, take two meals, not three at $1.90, that is $1.2 million a day. For illegals keeping us from welfare reform in California.

We want the State to have the flexibility and we think that this reform bill is gentle to children and a rebirth. Mr. STENHOLM. Madam Chairman, I yield 4 minutes to the gentleman from California [Mr. CUNNINGHAM].

Mr. STENHOLM. Madam Chairman, I have a rare opportunity in this Congress, an opportunity to support a bill that is both bipartisan and bicameral. We must and we will have welfare reform. The question is, how will we have welfare reform? Before the bill the majority is putting forth. H.R. 3734, does not provide the kind of constructive changes found in the Castle-Tanner alternative that we will also consider. We need reform that makes a difference. We do not need reform that merely is different but makes no difference. The State plans, thereby ensuring a single standard; and the requirement that State plans do not impose unfunded mandates on local governments.
Castle-Tanner has support among Democrats and Republicans in the House and in the Senate.

We do need to change our current system of welfare. But, we do not need to abandon our children. Castle-Tanner will give us change that improves the lives of all Americans, not just change that enriches the lives of some. The savings in the Castle-Tanner alternative meet the mandate of the budget resolution.

I urge all of my colleagues to support welfare reform that works, welfare reform that protects the children, welfare reform that gives us a better system.

Support Castle-Tanner. It will make a difference.

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Mrs. MEYERS of Kansas. Madam Chairman, I yield 2 minutes to the gentleman from Texas [Mr. SMITH].

Mr. SMITH of Texas. Madam Chairman, I thank my friend from Kansas, Mrs. MEYERS, for yielding this time to me.

I would like to offer my strong support for H.R. 3734, the Personal Responsibility Act. Welfare hurts people. It hurts those who receive it by creating a culture of dependency that crimps people's desire to benefit themselves and improve their own lives.

Americans are willing to help those who need it. But we have grown increasingly tired of footing the bill for those who will not help themselves.

Perhaps the most fundamental requirement of America's immigration policy is that immigrants be self-reliant, not dependent on the American taxpayers for support. Since 1882, for over 100 years, those who are likely to become public charges or participate in the welfare system have been inadmissible to our country. Since 1917 noncitizens who become public charges after they enter the United States have, in fact, been subject to deportation.

Many immigrants come to America for economic opportunity. In fact, most of them do. However, others come to live off the American taxpayer. Noncitizen welfare recipients of supplemental security income have increased 580 percent since 1979. When all the major welfare programs are added together, studies show that immigrants receive $26 billion each year in welfare assistance.

Now, should not those funds rather be going to needy American citizens?

This is the purpose of the immigration reform bill, H.R. 2202, which passed the House by a vote of 333 to 87. H.R. 2202 prevents illegal aliens from receiving public benefits, enforces the public charge exclusion and deporta-tion provisions of current law and encourages employers to fulfill their financial obligations.

It is critical for Congress to send both H.R. 3424 and H.R. 2202 to the President this year. The American people are depending on us to reform America's welfare and immigration policies.

President Clinton, after promising to end welfare as we know it, has twice this year vetoed proposals to do just that. Let us hope the administration will finally keep its promise to the American people and sign this bill.

Mrs. MEYERS of Kansas. Madam Chairman, I yield 3 minutes to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE of Delaware. Madam Chairman, I thank the gentleman from Texas for his supportive remarks, and I thank those that said nice things about the bill I presented, I have sponsored with the distinguished gentleman from Tennessee [Mr. TANNER], and I support both the Castle-Tanner proposal and the Republican welfare reform proposals, and I will speak probably of the Castle-Tanner more tomorrow.

But I would like to share with my colleagues my strong beliefs in the need to improve welfare, but also what I believe is tremendous hope and opportunity for people in America.

Now, I learned this from practical experience. Some years ago, I had the opportunity to be Governor of Delaware. I worked with the Governor of Arkansas at that time in 1988 with the Governors, heading up a group to work on welfare reform, and that was Bill Clinton, and from that came the Family Support Act. And I got into it, jumped in with both feet, and I said we are going to do this in Delaware, and we did something not many States had done at that time. We wrote letters to people in which we said, "If you're going to continue to receive welfare, you're going to have to come to our classes," and I suddenly keep getting those reactions, and I went to the first class after about 4 or 5 weeks. It was 18 women, 1 man, and I see a mass of people, and I remember it vividly. But I was stunned by the fact that virtually everyone I spoke to, think everyone I spoke to at that day, said very positive things about the fact that they had given them opportunity. I expected them to be very upset and disconcerted by the fact that we had said that they would have to work.

And I found from that and then from going back to graduations and then from talking to many of these people who I saw on the street thereafter that this truly was opportunity for them. It truly lifted their self-esteem, it truly gave them family pride because their kids realize that they were given that opportunity, and they could go forward with the best interests of this country.

And I think it has made a difference in Delaware. About a third of the individuals in Delaware have now been able to go to work in some way or another.

I have a letter here from Senator BIDEN and Senator SPECTER. I have a letter here from Senator BIDEN and Senator SPECTER. It is the only bipartisan, actually bicameral, bill that we have before the 10th Congress. This bill has been introduced specifically addressed in the same wording that we have in our bill in the Senate by Senator BIDEN and Senator SPECTER.

I want to compliment the Republicans for moving off of H.R. 4. The gentleman from Delaware [Mr. CASTLE] spoke to that. I am not yet ready to make that leap, but I want to commend some movement and some willingness to work on the part of the Republican majority, but I want to spend most of my time talking about what I think the Castle-Tanner bill is a better bill for the country and for the people that are both paying for the welfare system and for the people that are otherwise a part of it tonight. I want to speak more tomorrow about the differences, but let me just say this: Any system that we try to do in the Castle-Tanner bill is in some respects very
much like the Republican bill. We are time limited, we give the States flexibility, we are interested in work, we require work and so forth, as the gentleman from Delaware suggested in his remarks. But there are three or four things that we do that we think will make it work better, and CBO happens to agree with us.

We have a stronger maintenance-of-effort factor in the Castle-Tanner bill. This is important because welfare reform must truly be, in our opinion, a Federal-State partnership, and we do not wish to make it impossible to match States money and they do not match it and make welfare more a Federal program than it perhaps already is in the minds of some.

The other thing we do has to do with children. We restrict the transferability of these block grant funds that go to the States so that they must be used for child care. After all, if anybody gets unintentionally hurt by our best intentioned efforts to reform the welfare system and demand that able-bodied adults work, it is going to be children. With no other opportunity, who have no one else to put that safety net in society for people who otherwise have no recourse and no opportunity or ability to help themselves.

Another area about the children is in the area of vouchers. The Republican bill prohibits the Federal involvement for vouchers for children whose parents have been cut off because they refuse to work or otherwise are not cooperating, refuses or prohibits using Federal money for vouchers after the 5-year cutoff time.

Now, I understand that the objective that we were trying to give the States flexibility, that we were trying to give to the States a block grant for them to fashion programs that were better than this one-size-fits-all Federal program, and so we do that, and yet then we say, "Hey, we have a State program, you cannot use Federal money to help kids in that State." I do not understand the logic of that proposal, but maybe we can continue to work on that. I hope so.

And bottom line: I think we have a historic opportunity in this 104th Congress that we do have an opportunity to change the system that we have here. They are, as the gentleman from Delaware said, better off then they are now.

This system is broken, everybody knows it, nobody defends status quo, and we are trying to change it. If we could move toward the Castle-Tanner bill, if we could move toward the just a little bit more, I think we could get a bill that the President would sign and actually become law. That, I think, is the bottom line.

Let us quit throwing brickbats at each other and trying to threaten vetoes or not threatening vetoes or we are going to make this political statement, and try to come together as we have tried to do with 16 Democrats and 16 Republicans to seek an American solution. I do believe that is what our people that sent us here would like to see happen, and I think we have a chance to do that if we can continue to tweak this thing and work together.

I believe we have a historic opportunity.

Mrs. MEYERS of Kansas. Madam Chairman, I yield 3 minutes to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Madam Chairman, I thank the gentlewoman for yielding this time to me, and I want to speak in the same vein as my friend, the last speaker, the gentleman from Tennessee [Mr. TANNER]. I agree with one thing he said, certainly that we have a historic opportunity in this Congress, disagree with another thing he said, that nobody here is defending the existing system. I think that there are a lot of people who think sincerely that this is a ground inch by inch, if at all. Fighting furiously almost like a covered retreat to try and save as much of the system as they can, and I thought it would be useful to take a look at the system that we have created in this country over the last 30 years.

Mr. HUTCHINSON. Madam Chairman, It is immediately postwar era, poverty in this country was 30 percent. It declined steadily until it reached 15 percent in 1985 when the Federal Government declared war on poverty. In the last 30 years we have spent $5 trillion on welfare programs, and the poverty rate is 15 percent.

Poverty has stayed the same. It is more intractable now, it is more ugly now, but it has not gone down. What we have gotten instead is a 6-fold increase in illegitimacy, an illegitimacy rate of 32 percent compared with about 8 to 7 percent in 1965. That is the kind of system that we have now and that we need to change.

As my colleagues know, I could talk about statistics, about what that means for kids, about how much more likely they are to go to prison or to be on drugs. But I would rather talk about a story, the story of Eric Morris, a 5-year-old boy who was raised in a Chicago housing project. He was a good boy, had an older brother named Derrick. He refused to shoplift for kids who wanted him to steal candy, and so those older kids, lured him to a room in the 14th floor of that public housing project, dangled him out the window, and when his brother tried to help him, they fought his brother and they dropped him deliberately and killed him.

Madam Chairman, Eric Morris did not need the system that we have given him. He did not need individual employment plans. He did not need subsidized day care. He did not need counseling. He did not need all the other 78 programs that we are fighting over today.

He needed a dad. That is what Eric Morse needed. That is what the other kids in his housing project needed. What our system has done is taken away the dads from these kids and given them government instead. Senator MOWRYNIAI said 30 years ago that a society that does that asks for and gets chaos.

It is time, and I agree with the gentleman from Tennessee [Mr. TANNER], to stop fighting, to stop engaging in politics, to stop defending this system, to change it. This system is destroying the kids and the families and the neighborhoods of America. That is what this bill is designed to do. Let us pass it. Let us send it to the President. Let us urge him to sign it. Let us make sure there are no more Eric Morrises out there.

Mr. VUCANSKY. Madam Chairman, I yield 2 minutes and 30 seconds to the gentleman from Arkansas [Mr. HUTCHINSON].

Mr. HUTCHINSON. Madam Chairman, I thank the gentlewoman for yielding this time to me.

Madam Chairman, I rise in strong support of the Republican welfare reform plan. Some on the other side have complained that the work requirements contained in the Republican plan are too strong, and the States will not be able to meet them. What are those work requirements? It would require over a period of years, over the next 6 years, to have 50 percent of the caseload working. I suggest if we tell the American people that those standards are too tough, they will find that that is not true. Most people say, why should it not even be tougher? Why only 50 percent?

One provision in the GOP welfare plan that I think is very good is the ability of the Governors to count the net reduction of the caseload toward their participation rates. In other words, if a State has 40,000 on welfare one year and they drop that caseload to 30,000 the next year, those 10,000 cases they have reduced on their welfare rolls can be counted towards their work participation rate. That is our goal, to see a net reduction, to see people permanently leaving the welfare rolls.

One of my concerns about the Castle-Tanner substitute, which I assume will be offered tomorrow, is that their approach would gut the idea of a net reduction in the caseload. They would be prohibiting the Governors from counting the caseload turnover toward the work participation rates, so any AFDC recipient who obtained work for a period of 6 months after leaving the rolls could be counted toward the participation requirements.

This would make the work requirements virtually a sham. There is always, there is always a regular turnover in AFDC caseload. Hundreds of
thousands of recipients obtain jobs and leave AFDC every year, and an equal number, almost an equal number, enroll on our caseload every year.

By claiming credit for individuals who obtained a job and left AFDC, a Governor would automatically meet at least 10 percent of the participation requirement without in any way altering the existing welfare system. Nearly all States would be able to meet their requirements for the first and second years without the least change in the status quo.

I do not believe that is the way the American people want. I do not believe the American people want a welfare reform system that says it is not really reform, it is just more of the status quo when it comes to work.

We have success in the drug war, not when we get people off drugs, but when we keep young people from ever getting on drugs. It is the same way in welfare reform. The greatest success is not just in turnover, getting them off and having them come back on. The greatest success in welfare is when we dissuade people from ever getting on welfare. That comes from real work requirements.

The President said: Give me a bill with real work requirements, tough work requirements that is good for children, and I will support it. We have such a bill. Let us pass this tomorrow. Let us not take a substitute. Mr. Stenholm, the gentleman from Texas, the Chairman, I yield 4 minutes to the gentlewoman from Florida [Mrs. Thurman].

Mrs. Thurman. Madam Chairman, I thank the gentleman from Texas for yielding me this time.

Madam Chairman, I honestly believe that tomorrow, this time is going to be one of the most important votes we take in this Congress, and maybe for some of us, in our careers. I think welfare changes make no sense if we deform, rather than reform, the current system. The only bill this House will have the opportunity to debate that actually reforms the system is the bipartisan Castle-Tanner bill.

Reforming welfare means assessing the policy impact of a proposal and considering what these changes will mean for real people, like our Nation's children. The best way for us to deform the system is to cut $60 billion, and then start cutting the vital programs that form our social safety net without any concern for who gets hurt. This is the key difference between Castle-Tanner and the majority's bill. In the Castle-Tanner bill, we worry about those children that innocent children would not be hurt. The majority worried about numbers and only numbers.

For example, when I raised the issue in the Committee on Agriculture about the leadership's freeze on the vehicle allowance program for welfare recipients, some said, by the way, that all States have asked for in their waivers. Members from the other side of the aisle seemed surprised and somewhat discouraged that this was in the bill. But they told me they could not do anything about it, because the freeze helped them reach their arbitrary budget target. The ability of welfare recipients to actually have transportation to get to work did not matter.

Let me remind many people here there are a lot of places that do not have mass transit or buses. What mattered, again, was how much money could be saved by ignoring this problem. Similarly, the majority's bill retains the excess shelter deduction cap which prevents families with children who have high utility costs or high rent costs. Kicking children out of their homes may save some money, but you cannot call it responsible public policy.

Worst of all, among the food stamp programs in the majority's bill is the optional block grant. Consider poorly funded block grants will force children to lose their access to the food necessary to keep them healthy and alive. If we had allowed these block grants in 1990, 8.3 million children would not have received decent nutrition. Castle-Tanner rejects block grants, but it still contains the same language for fraud and abuse.

The bottom line is not only how much money we save but how many people we successfully move from welfare to work. In Castle-Tanner we guarantee a strong nutritional safety net for families and children while successfully getting people into the job market.

Madam Chairman, I care about reform and we care about families. By the way, we also save $3 billion. Support Castle-Tanner. It is responsible welfare reform.

Mrs. Vucanovich. Madam Chairman, I yield 2 minutes to the gentlewoman from New Jersey [Mrs. Roukema].

(Mrs. Roukema asked and was given permission to revise and extend her remarks.)

Mrs. Roukema. Madam Chairman, I rise in support of H.R. 3734, budget reconciliation legislation that contains a comprehensive welfare reform package.

Last April, I supported the initial House version of welfare reform legislation with some reservations. I was very pleased to see subsequent House reports on H.R. 4 last November included many significant improvements from the Senate-passed bill, which have properly been retained in the legislation before us now.

There should be no question that we must enact strong welfare reform legislation this year. The President's economic package is not enough. We must make serious decisions that we restore the notion of "individual responsibility and self-reliance" to a system that has run amok over the past 20 years.

Above all else, I want to stress my goal has not been to cut child support enforcement—this is something that I have worked on here in Congress for more than 10 years. As I have long maintained, strong child support enforcement reforms must be an essential component of any true welfare reform plan, because improved child support enforcement is welfare prevention: One of primary reasons that so many mothers with children land on welfare rolls is that they are not receiving the child support payments they are legally and morally owed.

Fourth, they bill has a strong and effective child support enforcement reform title, which is something that I have worked on long enough to insist that the current, State-based system is as good as its weakest link.

Specifically, I want to note that the Roukema amendment on license revocation, which the House overwhelmingly approved last April, 426 to 5, has been included in this bill. It requires States to implement a license revocation program for deadbeat parents who have driver's licenses, professional licenses, occupational licenses, or recreational licenses. This reform has worked very well in 19 States—the State of Maine, in particular, has been a leader—already they have it in place, and if license revocation is implemented nationwide I am convinced it will work even more successfully.

Later tonight, I will ask the Rules Committee to include a second child support enforcement proposal—a requirement that States enact criminal penalties of their own design for willful nonsupport of children—as part of the manager's amendment to H.R. 3734. I hope that the Rules Committee will do the right thing, and include this tough reform in the legislation we debate on tomorrow.

Fifth, I believe that the legislation's reforms for nutrition programs represents significant progress in maintaining the safety net for those in our society who are unable to provide for themselves.

The Majority Opportunities Committee markup and floor debate on welfare reform last year, I repeatedly attempted to protect the current safety net for school lunches so that, during times of recession, when more families...
move toward or beyond the poverty level and become eligible to participate in the school lunch program, additional money would be available to provide nutrition services.

Thankfully, the Senate saved the House from itself with its decision to preserve the current Federal safety net for school lunches, and H.R. 3734 follows the Senate position on this issue, which I wholeheartedly support.

I have always preferred to see the school lunch program completely maintained at the Federal level, and this legislation correctly does so.

I am also extremely pleased that the welfare reform package before us does not block grant nutrition services for WIC, the nutrition program serving low-income, postpartum women with children and infants.

Finally, I am grateful to see that this bill incorporates a "Rainy Day Fund" for those States that suffer a recession or economic downturn.

Last year, I repeatedly advocated that this kind of provision be included in any kind of welfare reform package that contains block grants, the idea being that those who truly depend on our safety net programs can continue to rely on them during times of economic distress.

Earlier this spring, the National Governors Association called upon the Congress to put $2 billion of funding into the "Rainy Day Fund," and this legislation meets the goal—I enthusiastically support this provision.

We have been so close to passing meaningful welfare reform for so long. Let us today finally move that process forward one more step by passing this comprehensive welfare reform bill.

This is the bill. This is the time. The people of America should not have to wait any longer.

I urge my colleagues to join me in supporting this important package.

Mrs. VUCANOVIĆ. Madam Chairman, I yield 3 minutes to the gentleman from Florida [Mr. WELDON].

Mr. WELDON. Madam Chairman, I thank the gentlewoman for yielding time to me, and I rise in support of H.R. 3734, the Republican welfare reform bill.

In my opinion, Madam Chairman, our reform bill is very good. I think further reforms will probably be needed in the future to ultimately get the Federal Government out of the business of trying to help the poor, because the Federal Government is completely incompetent and incapable of helping the poor.

Indeed, I feel that the current system is almost criminal, and the victims are children. That point was very vividly driven home to me when I had the opportunity a few years ago to meet with a businesswoman in my district who had recently relocated from Oklahoma. I remember him describing to me how he had taken part in a program in Oklahoma where he went into the inner city in Oklahoma and took part in a program where they would read books to these young children ages 5, 6, and 7, you can help improve their reading scores. We all know how important reading is to overall academic performance.

He told me a story that totally amazed me. When he first started taking part in the program he would frequently ask these kids what they wanted to be and what they wanted to do when they grew up. A fairly high percentage of them said they wanted to be on welfare and they wanted to collect a check.

Contrary to what most children learn when they are growing up, that they want to either become a fireman or a policeman or a mother or a daddy and work, these kids had actually learned to do nothing and work. It has been said by many people, kids will frequently model what you do and not what you say.

The current system, I think all we need to do is go into our inner cities and see what is going on. The high crime rates, the high drug abuse rates that are very, very closely linked to our welfare system and the high incidence of fatherlessness. I believe that the Federal Government is completely incapable of helping these people, contrary to all the claims that are made by the other side of the aisle.

My colleague from California made a comment about making sure children are alive, well-fed, and healthy. We are certainly making sure they are alive in the current system, but we are certainly making sure they are not healthy spiritually. That goes with the current system, and I believe our bill, H.R. 3734, which has some serious work requirements and seriously tries to address the terrible issue of illegitimacy, is a good bill. It is a good start on dealing with the welfare disaster that currently exists.

I encourage all my colleagues on both sides of the aisle to support the bill, and the President of the United States to do what he said he was going to do, and that is sign welfare reform.

Mr. CASTLE. Madam Chairman, I yield myself the balance of my time.

Madam Chairman, I take this time to make a comment or two regarding some of the allegations about some of the statements that have been made from this side of the aisle. To the best of my knowledge this evening, no one on this side has suggested, by any other standard other than CBO or the National Governors Association, that the proposal of the majority has some problems with work. We did not make this up. The Congressional Budget Office propounded the proposal and suggests that it is going to come up short regarding the work requirements.

Also, regarding the allegations on child care and children, we are not making this up. This is the Congressional Budget Office analysis of the proposal that is before us. This is why we say that the bipartisan attempt by the gentleman from Delaware [Mr. CASTLE] and the gentleman from Tennessee [Mr. TANNER] to address some of these concerns is worthy of serious consideration by both sides of the aisle. I want to make that point.

Madam Chairman, so the rhetoric of this body does not overshadow the facts.

Madam Chairman, I would make a few other observations. Statements have been made by a few this evening about the vetoing of the welfare reform bill twice by the President. I think most reasonable citizens of the United States, when they look at the original bills that were vetoed by the President and compare them with the two bills we will be considering tomorrow, they will see the wisdom of those vetoes, because I think any fair-minded person on either side of the aisle will see that as a result of having to go back to the drawing board and take another look at how we might make welfare reform more workable, we will see that both proposals are significantly better than the proposal that was vetoed twice.

That is progress, that is not a subject for criticism.

Madam Chairman, Castle-Tanner, as has been said many times, and I think it bears repeating, is bipartisan and bicameral. If we are truly serious about getting a bill, which we are, and let me make this observation, every single Member of the House of Representatives has voted with their name on the board, with a green light, for significance. If we can make any difference, it is the differences of opinion, and that is to be expected in a body of 435 as diverse as we are in the representation of the people of the 50 States of the United States.

But it is not a fair statement to say to anyone that anyone on either side of the aisle is not serious about welfare reform, because we are. Those of us who support very strongly the Castle-Tanner believe that it merits the support, merits the support because it is stronger on work, particularly by making certain that the mandate that we place on the States under the giving of the flexibility the States have voted that we send the money with the mandate, rather than saying to the States, "You do it, and by the way, if there is not enough money, that is your problem."
to be fixed. Castle-Tanner in our opinion does the best job of fixing it.

Madam Chairman, I yield back the balance of my time.

Mrs. MEYERS of Kansas. Madam Chairman. I yield myself the balance of my time.

Madam Chairman, I would just like to comment that the work requirements in our bill are in fact very tough. States are going to have to work harder than they ever have in order to assist welfare recipients into work. Work is not just a goal or an end in and of itself. The most challenging thing about these requirements is that they are in place do nothing to really reform this system.

What the gentleman from Texas was referring to in terms of the CBO estimates, CBO assumes a 30-40 percent reduction in the welfare caseload under our bill, but they do not factor that in in the cost of the work program. That is the discrepancy that I think the gentleman is referring to, and I do not understand it either.

I would like to just close by saying that if we make no changes in the way we handle welfare, we will still have 80 percent of minority children and 40 percent of all children in this country are going to be born out of wedlock. That is because of Federal programs that were intended to be a help over a difficult spot in someone's lives and instead they have become an incentive to fall into that system.

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to these families by over $4 billion over 6 years, resulting in more hungry children. Castle-Tanner does not include this harsh limitation.

We all want people on welfare to be self-sufficient—they want to be self-sufficient. But, the hope that help people become self-sufficient is not to deny them food stamps after 4 months. Eighty percent of the able-bodied recipients between the ages of 18 and 50 receive food stamps on a temporary basis already, they leave the program within a year. H.R. 3734 will simply kick 700,000 people off the program each month, without a helping hand if they need it. So these periods of need most is the opportunity to work—job training, or a job slot. Castle-Tanner will give them that helping hand if they are unable to find work on their own after 6 months.

The Castle-Tanner alternative achieves significant deficit reduction. The food stamp program saves $2 billion over a 6-year period. The majority's bill last year intended to achieve $16 billion over 7 years. Castle-Tanner goes well beyond that level of savings, and yet we have been accused of not supporting welfare reform.

The American people are not mean-spirited. They do not want children to be poor and hungry. We must remember the programs that impact the most vulnerable of our constituents. We must remember the faces of the poor and hungry of our Nation.

Let the record show that the minority strongly supports welfare reform, but not at the cost the Nation's poor families and children, not at the cost of the future.

The CHAIRMAN. All time for general debate has expired.

Under the previous order of the House of today, the Committee rises. Accordingly the Committee rose; and the Speaker pro tempore (Mr. HUNTER of Virginia) announced the previous order of the day, the conclusion of the Budget Committee's consideration of the fiscal year 1997 Appropriations Bill, and request for permission to make a statement.

APPOINTMENT OF CONFEREES ON H.R. 3250, NATIONAL DEFENSE AUTHORIZATION ACT FOR FISCAL YEAR 1997

The SPEAKER pro tempore. Without objection, the chair appoints the following conferees on the Senate amendment to H.R. 3250:

- From the Committee on National Security, for consideration of the House bill and the Senate amendment, and modifications committed to conference: Messrs. SPENCE, STUMP, HUNTER, KASICH, BATEMAN, HANSEN, WELDON of Pennsylvania, HEFLEY, SAXTON, CUNNINGHAM, BUYER, TUREZEN, MOORE, FOWLER, Messrs. MCHUGH, TALENT, WATTS of Oklahoma, HOSTETTLER, CHAMBLLIS, HILLEARY, HASTINGS, of Washington, DELUMAS, MONTGOMERY, Mrs. SCHROEDER, Messrs. SKELTON, SISISKY, SPRATT, ORTIZ, PICKETT, EVANS, TANNER, BRODWER, TAYLOR of Mississippi, TEJEDA, MCHALE, KENNEDY of Rhode Island, and DELAURO.

As additional conferees from the Permanent Select Committee on Intelligence, for consideration of matters within the jurisdiction of that committee under clause 14 of rule XVIII: Messrs. COMBEST, LEWIS of California, and 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: Messrs. CASTLE, BACHUS, and GONZALEZ.

As additional conferees from the Committee on Commerce, for consideration of sections 601, 741, 742, 2853, 3154, and 3402 of the House bill, and sections 345-347, 561, 562, 601, 724, 1080, 2327, 3175, 3181-91 of the Senate amendment.

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 3181-91 of the Senate amendment.

Provided 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 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 410, 413, 415-417, and 4112 of the Senate amendment, and modifications committed to conference: Messrs. GOODLING, MCKEON, and CLAY.

As additional conferees from the Committee on Government Reform and Oversight, for consideration of sections 352-36, 365, 367, 807, 921-25, 1047, 1052-39, 3542, and 3546 of the House bill, and sections 536, 809(b), 921, 924-25, 1081, 1082, 1101, 1102, 1104, 1105, 1109-1113, 1401-34, and 2826 of the Senate amendment, and modifications committed to conference: Messrs. 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 821-25 of the House bill, and sections 890(b), 1081, 1401-34, and 2826 of the Senate amendment.

Provided 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 233-234, 237, 1041, 1043, 1052, 1101-05, 1301, 1307, 1310, and 1313 of the House bill, and sections 234, 1065, 1021, 1031, 1041-43, 1045, 1323, 1332-35, 1337, 1341-44, and 1352-54 of the Senate amendment, and modifications committed to conference: Messrs. GILMAN, BEREUTER, and HAMILTON.

As additional conferees from the Committee on the Judiciary, for consideration of sections 537, 543, 1066, 1088, 1201-16, and 1313 of the Senate amendment, and modifications committed to conference: Messrs. HYDE, MCCOLLUM, and CONVEX.

Provided that Mr. MOOREHEAD is appointed in lieu of Mr. MCCOLLUM for consideration of sections 537 and 1080 of the Senate amendment.

Provided that Mr. SMITH of Texas is appointed in lieu of Mr. MCCOLLUM for consideration of sections 1066 and 1201-16 of the Senate amendment.

As additional conferees from the Committee on Resources, for consideration of sections 247, 601, 2821, 1401-14, 2901-13, and 2921-31 of the House bill, and sections 251-52, 351, 601, 1074, 2821, 2836, and 2837 of the Senate amendment, and modifications committed to conference: Messrs. HANSEN, SAXTON, and 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 251-52 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: Messrs. SHUSTER, COBLE, and 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: Messrs. STUMP, SMITH of New Jersey, and 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: Messrs. CRANE, THOMAS, and GIBBONS.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1995, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from the District of Columbia [Ms. NORTON] is recognized for 5 minutes.

[Ms. NORTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.]
Mr. GOSS. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 482 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 482

Resolved. That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for further consideration of the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997. All time for general debate under the terms of the order of the House of July 17, 1996, shall be considered as expired. Further general debate shall be confined to the bill and amendments specified in this resolution and shall not exceed two hours equally divided and controlled by
This legislation is brought to the House under the procedures of reconciliation as provided by the budget resolution we adopted earlier this year. For that reason, the time is controlled by the Committee on the Budget, although I know members of the Committee on Ways and Means and agriculture can make the time to comment on the bill’s provisions.

The rule provides for the adoption in the House and the Committee of the Whole an amendment in the nature of a substitute consisting of the text of H.R. 3829, as modified by the amendment printed in part 1 of our Committee on Rules report. This amendment makes this complex bill better and broadens its support.

It includes a review of State work requirements, limits on transfers into title XX programs, an assurance that work requirements and earnings limits can even after the 5-year Federal limit is reached, a compromise on the so-called maintenance of effort requirement that States have, and Medicaid contingent funds are dedicated to local child support port offices.

The rule further provides that the text of H.R. 3829, as modified by the amendment I have just described, shall be considered as original text for the purpose of amendment. In that regard, the rule provides for consideration of 2 amendments printed in part 2 of the Committee on Rules report. If offered by the chairman of the Committee on the Budget or his designee, which shall be debatable for 20 minutes, equally divided and controlled by a proponent and an opponent. This amendment shall not be subject to amendment and all points of order against it are waived. It provides for a more stringent work requirement for able-bodied adult food stamp recipients who have no dependents.

In addition, the rule provides for consideration of a second amendment printed in part 2 of the Committee on Rules report if offered by the minority leader or his designee. All points of order against this amendment, which consists of the text of H.R. 3832, are also waived. This amendment shall be debatable for 1 hour, with the time equally divided and controlled by a proponent and an opponent. This amendment shall not be subject to amendment. It is my understanding that this amendment reflects the bipartisan proposal put forward by the roundtable held by Majority Leader Stenholm, Majority Whip Betty McCollum, and Minority Whip Hughes. Some Members know of this as the Castle-Tanner amendment.

Finally, the rule provides for a motion to recommit, with or without instructions.

Mr. Speaker, it is a somewhat complicated rule. As I have just described, but it is fair, it is comprehensive, and it does the job very well. This is an example of what reform has been one of the most vexing issues in modern times. Our majority has made it a priority to address the root causes of the failure of the current welfare system.

I think everyone now agrees that the welfare system is, indeed, failing us as Americans. Thirty years and more than $5 trillion after it began, welfare programs we know today have very little to show for all of the good intentions they had: they have very little to show, tragically, except a self-perpetuating cycle of dependency. We have more children and families than ever before trapped today by the very same programs that were designed to set them free from poverty.

It is a devastating fact that more than three-quarters of those folks currently on welfare will stay on for more than 5 years. In fact, the average family on welfare stays on for 13 years.

Mr. Speaker, the bill we consider today and hopefully send to the President, and receive his signature this time, is a bold break with the failed policies of welfare as we knew it. This bill says that we are committed to moving people off welfare into productive jobs. This bill says we trust our State and our local officials to make crucial decisions about solving their own welfare problems.

This bill says that if you are able to work, we will help you get training and show you the way. But we expect you to go to work in exchange for cash benefits. This bill says if you are on welfare and you have more children, your benefits will not increase unless your State also increases the money they send.

This bill says States can enforce some tough love policies when it comes to requiring unmarried teenagers who have children to live with an adult and stay in school. This bill cracks down on deadbeat parents and boosts child support enforcement.

Mr. Speaker, let me emphasize what this bill does not do. This bill does not take away the safety net for children. In fact, this bill has increased levels of funding for child care programs so parents can make the transition from welfare to work. This is not a small matter. It is in excess of $4.5 billion, so I am told.

This bill also ensures that families will continue to receive food stamps, medical assistance and other welfare benefits. Even if they lose their cash benefits they will still be able to get these emergency needs met.

This bill also grants States the flexibility to exempt up to 20 percent of their caseload from the 5-year limit, to deal with those who cannot make the transition from welfare to work. And there will be some, and they are provided for.
The bottom line is that we have tried the one-size-fits-all. Washington knows best approach to welfare, and it has failed. It has failed tragically. It has failed miserably. It has failed pathetically. Our States and localities are asking for opportunity to do better.

Under this bill, welfare reform programs such as Wisconsin Works and Florida's WAGES initiative will no longer be derailed by the Federal bureaucracy. Under this bill States will utilize on-target, creative solutions within a flexible and responsible Federal framework.

Mr. Speaker, this legislation is also a budget saver. It does provide for an increase of $137 billion of the taxpayers' dollars over the last 6 years as compared with what we spent on welfare in the last 6 years, but it meets our budget targets.

We are demonstrating that we can invest in our people, provide new opportunities to better deliver necessary services, and to still meet our budget targets. That is what we mean by ending welfare as we know it. We are offering something better, much better. It is true reform.

Mr. Speaker. I include for the RECORD a document entitled "The Amendment Process Under Special Rules."

The material referred to is as follows:
Mr. GOSS. Mr. Speaker, I reserve the balance of my time.

Mr. FROST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, welfare reform is a very serious issue. There is probably not a person in this country who thinks we should leave our welfare system as it is. But there are also about a million suggestions out there as to how to fix it.

Unfortunately, my Republican colleagues have taken the wrong suggestions. This Gingrich welfare bill, Mr. Speaker, is tough on children, weak on work, and soft on deadbeat parents.

Fortunately, this rule will allow the House to vote on another, much better, bipartisan welfare bill.

Mr. Speaker, the American people have said time and time again that they want us to work together. They have said that they want to see fewer people on welfare and more people out there working for a living.

And today, Mr. Speaker, we have a chance to give the American people what they asked for. We have a bill supported by Republicans and Democrats alike. We have a bill President Clinton believes he can sign. And we have a bill that takes some serious steps toward helping parents find and keep work without punishing their children or their parents' poverty.

And today, we have the chance to vote for either that bill or the Gingrich bill.

It's a question of priorities. And, on the subject of priorities, Mr. Speaker, I have this opportunity to remind my colleagues of something I think is very, very important—when we talk about welfare, when we talk about food stamps—we are talking about children, about 15 million American children who live in poverty in this country today. And Mr. Chairman, as far as I'm concerned this Congress has no greater responsibility than to those children.

About two out of every three people on welfare is a child. Mr. Speaker. A fact that I think is too often overlooked.

So when we talk about welfare, let's remember that its full name is Aid to Families With Dependent Children—and those children, depending on us to take care of them, regardless of who their parents are or whether they have a job. For that reason, this Republican welfare proposal is woefully inadequate.

The Republican welfare bill will cut food stamps for families of three earning $6,250 a year. Most families with children will lose $470 a year in food stamp benefits.
The Republican welfare bill will push over 1 million children into poverty.

It will decrease the likelihood that poor children get the medical attention they need by failing to guarantee Medicaid eligibility.

The Republican welfare bill actually weakens current law and increases Federal costs in updating child support orders.

And the Republican bill has an extremely weak work program which will not help parents get jobs to support their families but will more likely leave poor children, and their parents, out in the street.

Mr. Speaker, I urge my colleagues, when you think about welfare reform, remember: The majority of people on welfare are poor children who need every single bit of help this Congress and this country can give them.

Mr. Speaker, I reserve the balance of my time.

Mr. SOLOMON. Mr. Speaker, I am pleased to note that apparently we have received the approval of the minority with the rule. We may not agree on all of the particulars of the different versions of the welfare bill, but we apparently have a good rule on the floor.

I am pleased that everybody agrees with that.

Mr. Speaker, I yield such time as he may consume to the gentleman from New York [Mr. SOLOMON], chairman of the Committee on Ways and Means.

Mr. SOLOMON. I thank the gentleman from Sanibel, FL, for yielding me the time. I will not take that much time, because this is a good rule.

Mr. Speaker, I rise in very strong support of the rule and the very vital underlying legislation it brings to the floor. I concur with the gentleman from Florida, with everything he has said about the failed welfare system in this country. The status quo, Mr. Speaker, must go. This bill guarantees that it will go.

Mr. Speaker, in the welfare reform issue at the national level I think is very difficult for the American people to track, as President Clinton's position seems to twist and contort with each new development that the States bring forward, the States who know how to deal with it. As many Members are aware, it is the States, our laboratories of democracy, that have pioneered welfare reform, which attempts to grapple with the problem of poverty at the local community level, and that is where we need to deal with it, not inside this beltway here.

The Clinton administration, through bureaucratic inertia, has blocked these bold efforts at the State and local levels. They have blocked it time and time again right in my own State of New York by not giving us the States' rights ability to deal with these problems.

The recent experience of the State of Wisconsin, attempting to receive Federal waivers through the Federal bureaucracy, just like my State of New York has tried to do, and the overwhelming endorsement of this program on this floor by a vote of 289 to 136, that is overwhelming, is a compelling argument that the waiver process should be junked. The fact that imaginative and creative local officials must trudge to Washington and get down on their hands and knees, begging for approval to implement reforms that their constituents want, Mr. Speaker, is an abject disgrace.

This bill provides local flexibility to deal with these important problems. My good friend from Florida has said, who has now become. The Republican welfare bill actually weakens current law and increases Federal costs in updating child support orders.

Mr. Speaker, I urge you to support President Clinton in the fight to stop this Republican welfare reform bill.

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have a 2- or 3-tier system of health care for these people.

Let me give a concrete idea of how unfair this rule is in protecting this bill. My own State of Florida estimates it will lose almost $600 million a year in Federal funds because of this bill. What are they going to do with these funds? They were designed to protect the children. Now what you are doing, and let no one fool us, this particular rule is there just to protect this bill.

The second thing it does, it takes away the earned income tax credit that was designed to try and keep you on one hand and then we are going to take it away on the other. Every time I come to this floor I talk about the earned income tax credit because it is for the working poor to protect their children. I want to say to this Congress there is no reason why you should let this flawed rule take away a flawed bill. The best thing to do is to vote against the rule. That will put some stops on this bill.

Mr. Speaker, I want the American public to know that what the Republicans are doing is taking away the earned income tax credit.

Mr. GOSS. Mr. Speaker, I would just note for the record that this is H.R. 3734. I think it has been misspoken a few times this morning as H.R. 3437, for those Members who are watching and tracking. It is H.R. 3734.

I want you to know that much as he may consume to the gentleman from San Dimas, CA (Mr. DREIER), the distinguished vice chairman of the Rules Committee (Mr. DREIER asked and was given permission to revise and extend his remarks).

Mr. DREIER. Mr. Speaker, I thank my friend for yielding me this time. Let me begin, as many of my colleagues have this morning, in extending our heartfelt thoughts and prayers to those loved ones of the victims of the tragic TWA Flight 800 crash that took place off Long Island last night.

Mr. Speaker, let me say that I strongly support this rule. I do so because we have been struggling for years and years and years to try and reform the welfare system. From our side of the aisle, there have been a wide range of proposals over the past several years designed to do just that, to try and end welfare as we know it.

We were all very enthused in 1992 with the commitment that President Clinton made to end welfare as we know it, and I have to say that right after that, for all kinds of reasons, the privilege of writing an article for my home town newspaper, the Los Angeles Times, in which I stated that I looked forward to working with the President on issues like reforming welfare, because when he said that he was committed to that goal, I knew we had to move ahead as expeditiously as possible to get this measure to his desk so that we can end the part of ending welfare as we know it.

Mr. MOAKLEY. Mr. Speaker, once again we all hear horror stories, but as far as the definition of food, I think crab legs is a healthy diet. It is not ketchup. I think it is something that could be bought with stamps. I think that this is not a bad diet.

Mr. Speaker, I yield 3 minutes to the gentlewoman from California (Ms. WOOLSEY).

Ms. WOOLSEY asked and was given permission to revise and extend her remarks.

Ms. WOOLSEY. Mr. Speaker, for certain it is getting closer to election day. I understand that my friends on the other side of the aisle want to take credit for getting tough on welfare. But what they are really doing is getting tough on children. You see, when I look at the welfare reform bill, it leaves me asking, What about the children? Two out of three welfare recipients are children. Have they forgotten about the children? Apparently so. Because, Mr. Speaker, this bill demands that mothers go to work but fails to provide the education, the training, and the support that these mothers need to care of their children so that they can get off welfare permanently.

When a mother is kicked off the welfare rolls, there is no safety net for her children, no guarantee that they will have any medical care, no guarantee that they can survive. In fact, this bill says to poor children, "Don't get hungry, don't get sick and for heaven's sake, don't get pregnant." And so when it comes time is up and we don't think you're important enough to protect you."

Mr. Speaker, no other Member of this body knows better than I do how wrong this is. This is the wrong way to fix the welfare system. When I was a single working mother with three small children, I was already 15 years old. I could not have stayed in the work force without the safety net of health care, child care, and food for my children. That safety net was provided by the welfare system.

I urge my colleagues, do not take this vote lightly. Do not vote for this bill. We have heard the false promises from welfare recipients, about helping people get off welfare and into jobs that pay a livable wage. Rather, it is a vote for making poor children even poorer despite the political hoopla, despite all this rhetoric around the debate. Your vote is a matter of life and death for millions and millions of children. Make no mistake, your vote will have consequences for children long after election day.
Mr. MOAKLEY. Mr. Speaker, we hear the tales about generation after generation of people on welfare. The statistics as I have heard them is that the average stay on welfare is 2 years, single female, white. I would just like to clarify that.

Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey [Mr. PALLONE].

Mr. PALLONE. Mr. Speaker, I rise in opposition to the rule because I do not believe it allows for sufficient amendments that would change this terrible Republican leadership bill. I do want to say, though, that I am pleased that this Republican bill's cuts or savings program. The largest share of this bill does not do anything to curb fraud, which is a major share of the people that are on welfare. He mentioned the crab legs. The gentleman from New York [Mr. SOLOMON] said that the need for a compassionate public policy, and that is why this Republican bill has been brought forward, but I would say this does just the opposite.

If we want to get people to work, if we want to protect kids in a situation where we are changing radically the nature of the welfare system, then we cannot move forward with this Republican bill.

I want to mention two things, because I listened to what some of my colleagues said on the other side. The gentleman from Michigan [Mr. LEVIN] talked about the food stamps bill. He mentioned the crab legs. The gentleman from New York [Mr. SOLOMON] talked about people waiting in line who did not think needed them. I think that we need to get past these examples, which are a small percentage of the people that are on welfare.

In addition to that, this Republican bill does not do anything to curb fraud or to end benefits for people who fail to comply with work requirements or to reduce administrative costs in the welfare program. The largest share of this Republican welfare bill's cuts or savings would come from across-the-board cuts in the food stamp benefit program. What that means is that the average person listening to what Mr. PALLONE is not going to be able to continue to live at a sufficient level of food.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume to say that if the Republican welfare bill goes through, this pushes 1 million children into poverty, and this is from a family that already has one parent working.

Mr. Speaker, I yield 3 minutes to thegentlewoman from Connecticut [Mrs. KENNELLY].

Mrs. KENNELLY. Mr. Speaker, I was very dismayed yesterday because I thought that we were going to bring this bill to the floor and that a bill, the Castle-Tanner bill, would not be allowed to be debated and voted on, and I found out I was wrong. That is why I am going to vote for this rule and support this bill, because this is allowing Castle-Tanner to come to the floor.

The Castle-Tanner bill answers the Republican demand for State flexibility at the same time that it looks to the concerns of Democrats for protecting children. Most important, the bill provides bipartisan desire to move welfare to work, the transition and the main point.

I am not suggesting Castle-Tanner is perfect, because no compromise is, and the men and women that worked on this bill worked very hard to bring about a bill. I think under the right circumstances in all could vote for. The Castle-Tanner bill would require work after 2 years and it would pose a 5-year limit, like the majority bill does. However, unlike the majority's bill, the legislation would not prevent States from helping children at the point where their parents get cut off.

Second, food stamps. The Castle-Tanner bill would reform the food stamp program, but it would not threaten the nutritional safety net established by an optional food stamp block program. We have heard about this morning about food stamps. Of course we all know of situations where there has been abuse of food stamps, but what many of us who come from cities know about is the need, the absolute importance for food stamps for young children and for their nutritional futures and for their health in their future.

I know, having worked with food stamps for years, that crab is nutritional and crab certainly is under the guidelines, and what gets us off the track is when we start getting into these anecdotal situations.

Third, like the majority legislation before us, Castle-Tanner has mandatory funding needed to make tough work requirements a reality. All of us have read the Congressional Budget Office letter that has already predicted that many States will not meet the majority's work requirement because the bill does not have adequate funding in it.

Finally, the bipartisan Castle-Tanner bill does not consider State accountability incompatible with State flexibility. The majority may meet maintenance-of-effort requirement, and I salute the majority for increasing their maintenance-of-effort requirement just very recently, but Castle-Tanner still has the best, and that is 85 percent.

Mr. Speaker, I do not agree with every policy decision in the Castle-Tanner bill, but I do commend the people for getting together from both sides of the aisle to make this bill a bill, as I said, that we can all vote for because it represents a good faith effort to find a common ground on welfare reform.

Welfare reform is an issue we all agree on. Welfare reform is something that has to be done. The status quo is not working. So I urge all my colleagues to vote for a bill that would demand responsibility, reward work, protect children, and I thank the chairmen across the aisle for getting Castle-Tanner to come to the floor.

Mr. MOAKLEY. Mr. Speaker, I yield myself such time as I may consume to say that the CBO has said that most Republicans cannot meet the work requirements, given the resources the Republicans wanted to vote for the cause of work. In fact, the Republican bill, according to CBO, their bill is $10 billion short of what the CBO said is needed for the work program.

Mr. Speaker, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Mr. Speaker, welfare reform is essential. It is about getting people off welfare into work and helping, not hurting, the child; in a word, tough on work, protective of children. That is the American dream.

When this process started last year, the Republican proposals were weak on work, tough on kids, not providing any additional resources to States to help move welfare recipients into work, causing people to go without health care, not allowing States to use Federal or other legal resident. The Republican proposals were weak on work, not helping, not hurting, the child; in a word, tough on work, protective of children, helping severely handicapped kids, and raising taxes on low- to moderate-income working families.

The Republicans have moved away in some areas from extreme or inadequate positions, but they have considerably further to go. Castle-Tanner is much stronger on work and providing resources to the States to get people to work, in requiring States to use Federal moneys for welfare to work, not for other purposes, and in making sure that if a recession hits, people who want to work or who are innocent bystanders do not get hurt.

Taking food from kids is not welfare reform, whether the parent is a citizen or other legal resident. The Republican bill does far too much of this. Tanner-Castle is more protective of children.

Tanner-Castle has been the only bipartisan effort in the House. We need more, not less of such effort. The only way to achieve more is to vote for Tanner-Castle and against the Republican bill. That is the best hope that in the end welfare reform will be what it must be, and that that is a bipartisan effort to break the cycle of dependency for the sake of parents, surely of their children, and for taxpayers who foot the bill.
Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Maryland [Mr. WYNN] who knows something about crab cakes.

Mr. WYNN. Mr. Speaker, I thank the ranking member for yielding me this time.

Mr. Speaker, I rise to oppose this rule. It supports a very bad welfare reform bill. That is unfortunate, because in point of fact we ought to put people to work.

The welfare system should be reformed, and we ought to set time limits for people receiving welfare. The problem is the Republican bill hurts children and does not do a lot about putting people to work. It hurts innocent children because there are no vouchers in the program.

What happens at the end of the period for benefits? The children are hurt because there are no provisions made after the benefits are exhausted. Three hundred thousand legal immigrant children will be harmed because they will be ineligible for food stamps. Why is that? Why are we hurting children? Let us just put people to work: 1.2 million women and children will lose Medicaid benefits. They will not have health care. Why are we doing that? That does not have anything to do with putting people to work.

The bill is weak on work. Fortunately, we have an alternative. The Castle-Tanner bill makes provisions. It provides vouchers for when benefits are exhausted. Continued Medicaid coverage so children can get health care. It provides food stamps for legal immigrant children so that they will not starve.

The Republican proposal is weak on work. According to the CBO, the bill is $12 billion short of what is needed to meet the work requirements. It is an unfunded mandate on the States. The CBO, one of their favorite authorities, also says they do not provide adequate child care. They are $800 million short in terms of adequate child care benefits.

On the other hand, the bipartisan Castle-Tanner alternative provides additional funds for work. They provide an additional $2 billion to provide child care so that people can go to work.

We are not debating whether we ought to reform the welfare system; we are debating what makes sense and whether we ought to punish children as the price of welfare reform.

Mr. Speaker. I urge rejection of the Republican proposal.

Mr. MOAKLEY. Mr. Speaker, could you inform my dear friend, the gentleman from Florida [Mr. Goss], and myself how much time is remaining?

Mr. GOS. Mr. Speaker. I yield 4 minutes to the gentleman from Delaware, Governor CASTLE.

Mr. CASTLE. Mr. Speaker. I thank the distinguished gentleman for yielding me this time.

I would like to address my comments this morning strictly to this rule, rather than either to Castle-Tanner or to the bill itself, because the rule is a little bit different than some of the rules we normally take up here on the floor, in that it has a self-enacting amendment in it, and some substantive concerns that I think we really need to at least bring forth.

Let me just say first and foremost, and I think this is vitally important. I very much appreciate the very good work which the Committee on Rules has done. They have allowed, in a free-standing fashion, the Castle-Tanner legislation, which is the Gephardt substitute in this rule, to come to the floor.

There will be no objections as to dollars. There is a dollar differential: it is $53 billion versus $60-some in the Republican legislation, which is to be considered. This is a concern of mine, and it was a concern of a number of my contemporaries on the other side of the aisle, and I am very pleased that was able to be worked out. That is important. I think, for the whole process of hearing and voting in this Chamber.

And, of course, I am supportive of that legislation.

I want to point out, however, that there are some changes in the rule that we should pay some attention to, and there are five that I have singled out here that we need to look at. One is the deletion of the State Implementation of the State work programs. It would be an understatement to say that this is going to be simple. When we require people to work for a number of hours, and we require up to 35 hours a week, when we require a percentage of the population, up to 50 percent of the working age able to work to work, we have to keep track of that. We have to determine what work is. We have to go through definitional phases. Benefits can be lost or whatever it may be.

I think it is extremely important that we make sure that is going to be able to work. And one of the amendments here states that 3 years after enactment, the Committee on Ways and Means and the Committee on Banking and Financial Services shall conduct hearings and other appropriate activities to determine the status of these areas. And that is before the deadline. I think that greater demands, because it is on an incremental basis. That is a very important change.

Another important change is the limitation on amounts which can be transferred to the block programs. This is a social service block grant. There are several block grants being set up; most of them deal with welfare: The TANF, the transitional aid to needy families, the child care, and the child welfare. We are all for transferring to child care, but we have to agree with the underlying legislation to come up, we have made some positive changes which makes the bill more palatable even to those who might object. I understand that some may object otherwise. At least there has been consideration of various areas and they have the choice of being reviewed. There are 2 extra hours so that every day we can be debated, with the changes which are here, the rule is a good rule. That does not mean you have to like the legislation. That is up to everyone here. I happen to be very supportive.

Obviously, it is Castle-Tanner and I will support the Republican proposal, too. But it does mean that we will have the opportunity for full and open debate. I also appreciate the fact that there are 2 extra hours so that one’s views can be aired. This is a very, very important subject. It is not simple. This legislation is not simple. The interactions with these families and these children are very complicated. Putting the programs in place in the States is also very complicated, and we need to do this very carefully. I think this rule at least gives us that opportunity. I support the rule and would urge everybody to do so.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)
Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank very much the gentleman from Massachusetts [Mr. MOAKLEY].

I rise this morning to consistently repeat what I have already said, that I enjoy and appreciate the need for real welfare reform. I would hope, however, that we as Americans would focus on ensuring that our children would fare well. The Republican bill cuts some $60 billion from our children.

I rise this morning to support this rule because I want us to discuss on the floor of the House a real way to reform welfare. I want the American public to understand that many times welfare goes to those families who in economic recessions or depressions lose the opportunity to work and, therefore, food stamps are a necessity for survival. The Republican plan block grants, puts a certain small amount of money for the food stamps and when a crisis occurs in a community and there is need for the bridge for those families once they can find work, we have no resources in the Republican plan.

The Castle-Tanner bill does answer that question. In fact, even when there is a cutback time, the Castle-Tanner bill allows States to provide vouchers. The Castle-Tanner bill recognizes that legal immigrants pay taxes and they are in fact contributors to this community and they have children. It provides a bridge for those children so that we do not become a burden on local communities. The Republican bill cuts off those who work hard in this country.

Then I offered an amendment yesterday evening to respect work and to respect the women in my district on welfare who have said to me: Congresswoman, we want to work. But we need child care. Job training, health care and, yes, jobs.

I offered an amendment that would provide transitional child care once a parent gets a job and needs to work. The Republican bill does not offer sufficient child care. Then with the idea of Medicaid, who in their right mind would not want children to have good health care?

I will support this rule because I want real welfare. I want Americans to fare well. I would hope that we would defeat ultimately the Republican plan.

Mr. Speaker, I yield to the gentlewoman from Tennessee [Ms. CASTLE].

Mr. Speaker, I am pleased to support fairness and basic decency to those who have to work hard and pay taxes, fall on hard times. It is a real welfare reform, but not by hurting children, not on the backs of legal immigrants and not without real job creation. The main target of any welfare legislation ought to be poverty, not children.

This bill is an outrage. I implore my colleagues, on both sides of the aisle, to respect the women in my district on welfare who have said to me: Congresswoman, we want to work. But we need child care. Job training, health care and, yes, jobs.

I offered an amendment that would provide transitional child care once a parent gets a job and needs to work. The Republican bill does not offer sufficient child care. Then with the idea of Medicaid, who in their right mind would not want children to have good health care?

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Mr. Speaker, I yield to the gentleman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Texas [Ms. DOGGETT].

Ms. DOGGETT. Mr. Speaker, Americans realize that the welfare system is working not only as safety net but also for those it is designed to help. But the question is not whether to change the system but how to change it.

The question is, will we provide the means to escape welfare or will we simply be plain mean to poor people? Like every other problem that this Gingrich Congress has faced, the best way to solve the problem is with a bipartisan approach. I have not found any party or, for that matter, any individual who has got a perfect answer to this challenge.

Unfortunately, like strengthening Medicare, like trying to get a balanced budget, like trying to avert these costly Gingrich Government shutdowns, when some of us have said, let us work together and find a common moderate approach, others have replied, it is Newton's way or no way.

That is where we are this morning.

Do we pursue a bipartisan approach such as that advanced by Governor CASTLE and by the gentleman from Tennessee, Mr. TANNER, and try to place the emphasis not on targeting poor kids but targeting what is wrong in the system? It is the extreme approach that is more designed to address the political welfare needs of those who have failed again and again in this Congress rather than repairing the real welfare reform system?

I believe we have got an approach that will work, imperfectly, to get us out of the welfare problems we have today. Let us get about adopting it in a bipartisan way.

Mr. MOAKLEY. Mr. Speaker, I yield 2 minutes to the gentleman from Oregon [Mr. BLUMENAUER].

He says before, Mr. Speaker, we have reached a point where there is a national consensus that is emerging that our No. 1 priority in social welfare is to protect poor children. There is a consensus that welfare, in fact, tracts children in poverty, and the key is to allow families to work to escape.

Unfortunately, Mr. Speaker, the Republican bill hinders that progress that is so critical and undercuts that national consensus.

I come from a State, Oregon, that is actually moving people off welfare into gainful employment. The bill that we have looming before us is going to undercut the progress of my State.

First of all, by having inflexible work participation requirements, you will actually penalize the successful States. Oregon gets down to zero people in 5 years, and that gets down in 1½ minutes to the gentlewoman from Massachusetts [Mr. MOAKLEY].

Mr. MOAKLEY. Mr. Speaker, I yield to the gentlewoman from Texas [Ms. DOGGETT].

Mr. DOGGETT. Mr. Speaker, I include for the RECORD the statement of the gentlewoman from Ohio, Ms. DEBORAH PRYCE, a member of the Committee on Rules, who is unable to be here.

Ms. PRYCE. Mr. Speaker, I am pleased to rise in support of this fair rule and the underlying Welfare Reform Act.

Mr. Speaker, a generation ago, President Lyndon Johnson launched his much-celebrated War on Poverty with the hope of creating a Great Society here in America. Well, here we are in 1996, 30 years and more than $5 trillion later, ready to launch a new war. Only this time, the war is not so much against poverty itself, but against a failed welfare system that has trapped the less fortunate in our society in a seemingly endless cycle of poverty and despair.

The bill that we will soon consider under the terms of this structured, but very fair and balanced rule, takes welfare in an entirely new direction—one which replaces strict Federal control with increased flexibility and more room for innovation at the State and local level.

Instead of promoting dependency and illegal immigration, this bill seeks to replace a failed system with one based on the dignity of work and the strength of families. Most importantly, this legislation promotes creative solutions closer to home and offers a real sense of hope to the truly needy and less fortunate among us.

Unfortunately, we'll hear some complaints from the Republican side that the bill is not in place. But, Mr. Speaker, there is nothing wrong with a welfare reform plan that advocates commonsense principles like requiring welfare recipients to find work, or even cutting...
off benefits for parents who refuse to cooperate with child support authorities.

And speaking of children, who are often the most vulnerable in our society, I’ve seen the effects of generational welfare in my courtroom, and I can say that the current welfare system has had a terrible toll on the well-being of children. That’s why I am very pleased that this bill looks out for the best interests of children by emphasizing child care, protection, and nutrition.

So, Mr. Speaker, I would urge my colleagues to vote for this fair rule and to support programming that is targeted for increasing the availability of child care programs by adding extra dollars for child care and nutrition.

Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California [Mr. Dreier], vice chairman of the Committee on Rules, from greater San Dimas, CA, and surrounding areas.

(Mr. Dreier asked and was given permission to revise and extend his remarks.)

Mr. Speaker, I thank my friend for yielding me this time.

This has been a very interesting debate over the past few minutes. Mr. Speaker, my friend from Texas [Mr. Doggett], said it is not just welfare reform, no way. The fact of the matter is, the Democratic party does not come up with any proposal whatsoever to deal with welfare reform, and we are still giving them two opportunities with, first, the substitute which they said they requested, which is the Castle-Tanner substitute and, second, a motion to recommit. So without coming up with proposals, they call it NWT’s way or no way. We are giving them two opportunities to offer alternatives to this package.

Second thing I heard during this debate is that the system, this proposal, was heartless and heartless. I am told that my friend, the gentlemwoman from New York [Ms. Velazquez], just said that.

Mr. Speaker, what is vicious and heartless about doing what we can to encourage opportunity for those who are at the lower end of the economic spectrum?

A few moments ago I was talking with my friend, the gentleman from South Boston, MA [Mr. Moakley], who said that it is true that we so often hear about the extreme cases of abuse of the welfare system. The fact of the matter is, the Democratic party does not have a center position on the matter of welfare reform. Instead of helping people out of poverty and off the welfare rolls, this Republican measure simply ignores the needs of poor families and children. H.R. 3734 does include work requirements, which I agree should be a part of the effort to reform welfare. However, this bill does not include work requirements for the essential services, such as child care, health care, education, and training, that would help them down a successful path to the world of work.

The underlying measure mandates work, however, it eliminates the guarantee to one of the key services that give parents the ability to go to their jobs, child care. While this bill does take a significant step forward regarding child care programs by adding extra dollars for child care initiatives, it eliminates the guarantee of that assistance being dependent on the availability of State resources to continue funding such programs. These funds are also given to States as a block grant, a funding mechanism that would not allow funding levels to rise along with need. At the same time, the measure reduces funds targeted for increasing the quality of child care.

For many poor families, a single medical emergency or health problem can push them into poverty and onto welfare. This is one reason why access to adequate medical care is an essential element in the struggle to move families from welfare to work. One targeting the collect AFDC are children. That is not the way we need to deal with our budget problems; we need to protect children and the vulnerable. We ought to empower people so they can go back to work. That costs money in terms of training and education. But this measure pays lip service to those needs.

There are other issues that need to be addressed. In our State we reduced the welfare load because we provided health care for those that needed it. That substantially reduced the need for welfare in our State of Minnesota.

We should not be targeting the legal immigrants. As and I said, half the dollar savings in this measure is cut from legal immigrant benefit programs. Illegals are not eligible for much of anything today, so let us not confuse the two.

Plus, we ought to maintain the State effort. I trust my State will maintain their effort, but I do not know, given the pressures that Minnesota will go through and be under. We should be requiring them to do what we are doing today. Not just 175 percent or 80 percent of the effort that the Republican bill requires.

And we need to deal with the economic cycle in terms of downtown so that we do not leave people out in the cold. Our Nation doesn’t need more home less, we do not need that type of problem in the name of welfare reform. We need to address our concerns and help State and local communities respond to the needs of the vulnerable in our communities.

Mr. Speaker, I rise in opposition to this bill, H.R. 3734.

Instead of helping people out of poverty and off the welfare rolls, this Republican measure simply ignores the needs of poor families and children. H.R. 3734 does include work requirements, which I agree should be a part of the effort to reform welfare. However, this bill does not include work requirements for the essential services, such as child care, health care, education and training, that would help them down a successful path to the world of work. These expenses can devastate a poor family’s income and throw them back into the welfare system, and in this bill, these types of support are grossly inadequate.

The underlying measure mandates work, however, it eliminates the guarantee to one of the key services that give parents the ability to go to their jobs, child care. While this bill does take a significant step forward regarding child care programs by adding extra dollars for child care initiatives, it eliminates the guarantee of that assistance being dependent on the availability of State resources to continue funding such programs. These funds are also given to States as a block grant, a funding mechanism that would not allow funding levels to rise along with need. At the same time, the measure reduces funds targeted for increasing the quality of child care.

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for some families to Medicaid, the main provider of medical care to the poor. With two out of every three welfare recipients being children, we cannot afford to abandon this type of assistance. Having adequate, affordable health care is also vital to parents, directly impacting their health and ability to work. At one time in Congress, we were talking about expanding health care coverage so no American would be denied adequate medical care. Now, this 104th Congress has designs to take medical care away from our most vulnerable and poorest citizens. The cuts in the Republican's budget proposal are in the Federal health care programs, Medicare and Medicaid.

Conveniently, this bill simply takes the criteria of need out of welfare eligibility requirements. State budgets replace that characteristic to become the determining factor in whether our poorest families and children receive essential food, shelter, and medical assistance. The unrealistic part of this scenario is that the needs of those poor families and their children do not conveniently disappear when funding to provide such assistance runs out.

While this bill dramatically reduces spending on welfare, the Republican's budget bill also allows States to follow suit and reduce their funding of welfare-related programs. In this bill, irregardless of need, States will only be required to spend 75 to 80 percent of the amount they spent in fiscal year 1994 on welfare programs. While I understand that States and local public officials care about the well-being of their citizens, the requirements included in this bill will force them to do more with less, and that willingness to maintain the social safety net provided in current law will be greatly strained. State and local officials may benefit by the flexibility provided but this measure, but flexibility cannot make up for such an inadequate level of funding provided by this bill, which will hamper States' abilities to meet the expensive work requirements in the bill without endangering the health and well-being of America's poorest residents. The Congressional Budget Office has pointed out that the Republican bill's spending provisions fail far short of the necessary funds needed to meet the work requirements. In addition, in some instances, funds can be moved out of the program for which they are allocated and be expended on unrelated programs.

One provision in this measure, which claims big cuts and savings, would deny benefits to legal immigrants, noncitizens who pay taxes and contribute to our economy. Half the funding to provide such assistance runs out.

 Individuals in our society should be expected to do what they can for themselves, but policy should be careful to differentiate between those who can and those who cannot. Cutting off assistance to those who are trying to lift themselves out of poverty and off of welfare is not sound public policy. Unfortunately, that is exactly the policy that this bill puts forth. We must help those in need help themselves. I urge my colleagues to oppose this underlying measure and renew our efforts for real welfare reform so that those dependent can truly achieve self-sufficiency.

The Tanner-Castle substitute offers the basis for true compromise and real welfare reform. And, while I have misgivings about the measure, which would abandon the entitlement commitment, the provisions of this measure are generally funded adequately. Also, the issue of expansion of need during economic downturns is addressed. The required State commitment is greater, and children as well as poor and vulnerable populations are protected. This measure is not only better than the House bill per se, but it is a sound foundation and format to transition from today's welfare system to a welfare program with greater State flexibility with a reasonable prospect of meeting the problems of those who are in need in our society.

Mr. GOSS. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Florida [Mr. SHAW].

Mr. SHAW. Mr. Speaker, I thank the gentleman for yielding this time to me. I think we are, and I sense that we are, right here in one of the finest hours of this Congress. We are taking one of the most difficult political issues for all of the Members on both sides, and we are opening up the rule to this extent. I think it is truly remarkable and speaks very well of the leadership in this Congress and the faith that the Republicans, as the majority, have in the States and the minority. We are not only allowing a second bill to be introduced and we are not only allowing the motion to reconsider, but also we are also relaxing the dollar figure because this is a reconciliation process.

Under the rules the minority party could have been absolutely shut out of this process by simply saying, "Adhere to the rules, and the rules means you've got to save $60 billion." This was not done. And I think that is absolutely in the absolute tradition of fairness.

Now we are going to be faced with a bill that is a substitute. Interestingly enough, both the Republican bill and the substitute that is going to be offered here today in the entitlement of welfare; that is a quantum leap. It shows confidence in the States in block granting them to the States. That is a quantum leap for this Congress, and I think that it speaks very well of those that support either one of those issues.

And then those that do not really believe that the States should take over the welfare system, the Democrats are giving them the opportunity on a motion to recommit. So, if they want to hold on to much of the status quo and hold on to the Federal grip on welfare, they will have the opportunity to do so and put it forth in a Democrat process, and that is absolutely amazing, and it is good to see that this is happening, particularly in the debate we see that there are so many gotchas and oneupmanships going on in this House.

So I want to compliment all of the people, to very briefly that one might say, "Well, if the Castle-Tanner bill and the Republican bill both block grant welfare, then what is the difference?" Well, there are two, really two, basic differences that we are going to be asked to consider ourselves and certainly the American taxpayers are going to be asking us what this bill is going to do to oppose the Castle-Tanner bill, those of us on the Republican side who oppose that particular bill, we do not believe that American taxpayers should simply still be required to shell out their money to pay welfare to non-citizens. This is the growing, growing problem that we have. And where the alien participation in welfare is growing at a much higher percent than the U.S. citizen group. So we feel that Castle-Tanner is going the wrong way on that.

We also feel that in the area of time-limited welfare, to put on the incentives after the 5 years is counterproductive to what we want to do. But we are compassionate, we do say that 20 percent of the case load can be made an exception, and if the States want to go ahead and pay that amount out after 5 years, they can, and we also explicitly indicate in this bill that if the States want to use their own dollars to pay out after 5 years, they simply can do that too. We are not strapping the States, we are not limiting the States, in that regard.

I look forward to a very healthy debate, one in which we will voice very honest differences of opinion today. I think this is going to be one of the finest hours that we will have in this Congress, and we are now given the tremendous opportunity to end the stagnation of welfare that has destroyed so many lives, and that is the important thing, and that is what we have got to accomplish.

And after we get through with this democratic process, I hope that the President will follow suit, not play politics and junk the whole thing.

Mr. MOARLEY. Mr. Speaker, I yield all my remaining time to the gentleman from Tennessee [Mr. CLEMENT], my last speaker.

The SPEAKER pro tempore (Mr. KOLBE). The gentleman from Tennessee is recognized for 1/4 minutes.

Mr. CLEMENT. Mr. Speaker, since I have been a Member of Congress, I have been a strong advocate of a tough but reasonable welfare reform bill that empowers rather than punishes, one that can have a responsive and independent America built on the principles of hard work, determination, and individual initiative. In effect these are the same values our current welfare system penalizes.

Today we are called upon to enact a meaningful welfare reform. We must not struggle to establish a Democratic or Republican reform plan, but rather we must strive for a compromise that results in an American resolution of this most difficult problem.

We feel that the Castle-Tanner welfare reform bill achieves this effect as a bipartisan proposal that strikes a balance between the welfare reform plans advocated by the two parties. The Castle-Tanner alternative...
provides tough welfare reform that protects children and moves able welfare recipients to work. This bipartisan substitute provides $3 billion in mandatory funding that States can access for work programs. Consequently, if mothers and fathers trying to escape welfare to work, they must have an adequate funding for child care. Castle-Tanner contains $4.5 billion more than the current law for child care assistance to families that leave welfare for work. In effect, this provides flexibility to develop successful work programs tailored to the needs of local communities.

Support this legislation. Let us pass welfare reform this year.

Mr. GOSS. Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Kentucky [Mr. BUNNING].

Mr. BUNNING of Kentucky. Mr. Speaker, I rise in strong support of the Republican welfare reform bill.

Mr. Speaker, I urge my colleagues to vote for the Republican welfare reform bills that are before the House today. I supported it in both the Ways and Means Committee and the Budget Committee, and I am going to vote for it today. The case for welfare reform is pretty clear.

The system that we have now just does not work. Period. During the last 30 years, we have spent more on welfare than on all federal programs, but we have not reduced the percentage of Americans who actually live in poverty. In fact, the poverty rate has slightly risen during that time.

It's time for some tough love, and I think that this legislation fits the bill.

If we are going to help people escape poverty, we have to encourage personal responsibility. The welfare system that we now have is supposed to act as a safety net to help people when they need a hand, but instead it acts to trap them in poverty and ends up becoming a way of life.

It's folly, I say, that if you are able, you should work. If you are nonexistent, you should not come to the United States expecting a handout. And if you are a felon, you are going to be kicked off the dole.

All of the recent innovation in welfare has taken place in the States. They have raced ahead of Washington in attacking poverty with new, innovative approaches and we should give them the latitude they need to craft programs at the local level that really work and help people. Our bill does that.

Very important to me, our proposal also attacks the problem of illegitimacy. Welfare now accounts for 40-50% of all out-of-wedlock births and induces single, teen mothers to move out on their own to try to raise their children. We think that this is absolutely wrong-headed, and that's why our bill ends the practice of subsidizing out-of-wedlock births and tells teen mothers that they have to live with their families or they want to continue to get public assistance.

Mr. Speaker, I am also compelled to speak about the transracial adoption section in this bill. I deeply appreciate my Chairman, Mr. ARCHER, agreeing to add it to the base bill.

We know that many children, mainly minority kids, are left to languish in foster care because of the skin. The practice of race-matching that prevails in the adoption community is discriminatory, and we have to stop it if we are going to give these kids a chance and get them into permanent, loving homes.

In the past 18 months, the House has twice passed legislation that would prohibit adoption agencies that continue to race-match, but the President vetoed our first effort and the other bill's future in the Senate is up in the air because of the gridlock in that body. By including the transracial section in this bill, we are only improving our chances at actually passing legislation this year and bettering the lives for the half a million children who are stuck in foster care today.

Mr. Speaker, I commend the bill before us today to my colleagues. It takes welfare in a new direction and I believe that it will give hope and expand opportunity to millions of Americans who are trapped in poverty.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to respond to a few of the remarks that were made.

First of all, one of the speakers from the other side said this is tough on welfare. This bill is tough on welfare abuse. We all know that there is a lot and we need to deal with it. We are dealing with it.

Others have said that we have not provided enough for children. I would add that in the areas of child support, child nutrition, child care, we have added more than there is now under the existing system. In child care alone, I understand there is an additional, beyond what we have today, $4.5 billion provided for, and I frankly believe it is in both versions that we are going to have an opportunity to consider.

I also need to point out that compared to the last 6 years, which has been a time when we have been spending maximum dollars on welfare, in the next 6 years we are going to spend $137 billion. I do not think that means we are dodging the issue. We are targeting the money better, and we are going to take care of more people with true need and stop the waste, fraud, and abuse in this program that President Clinton has asked us to deal with.

I would also point out in the options that we have today the two that we are going to be voting on frankly are more similar than they are different. The point is they both bring substantial reform. I obviously prefer H.R. 3734, but others have spoken to the fact that there are great differences. Actually there are not that many differences.

I would point out that we are giving in this rule two votes of the apple to the other side, which has not always happened in the past when the other side was in the majority under the recoupment process.

There was some statement made that we are having some cuts in the EITC. One of the speakers mentioned that.

Mr. Speaker, I have run out of time. I urge strong support for this rule. It is an excellent rule.
48 and rule XXIII. the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill. H.R. 3734.

□ 1047

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3734) to provide for reconciliation pursuant to section 201 (a) of the concurrent resolution on the budget for fiscal year 1997, with Ms. GREENE of Utah in the chair.

The Clerk read the title of the bill.

POINT OF ORDER

Mr. ORTON. Madam Chairman, I rise to make a point of order against consideration of H.R. 3734.

The CHAIRMAN. The gentleman will state his point of order.

Mr. ORTON. Madam Chairman, section 425 of the Congressional Budget Act prohibits us from considering legislation which would create an unfunded mandate upon the States. The Congressional Budget Office has ruled that H.R. 3734 falls $12.9 billion short in funding necessary to fund the work requirements of the bill. Also the National Governors Association has stated: We are concerned that the bill restricts State flexibility and will create additional unfunded costs.

The bill clearly creates an unfunded mandate, violates section 425 of the Congressional Budget Act, and I would further point out that section 426 of the Congressional Budget Act prohibits this House from considering a rule which would waive section 425. So that in any event we would have a vote and a determination as to whether or not a bill does in fact create an unfunded mandate.

The CHAIRMAN. The Chair would respond to the gentleman's point of order as follows. Points of order against consideration of the bill H.R. 3734 were waived by unanimous consent on July 17, 1996. Further, a point of order against consideration of House Resolution 482 would not be timely after adoption of that resolution.

The gentleman's points are not in order.

Mr. ORTON. I thank the Chair. I think it is clear to the House and the country that in fact we are violating the first bill we passed in this Congress with the adoption of this bill.

The CHAIRMAN. When the Committee of the Whole House on Wednesday, July 17, 1996, all time for general debate pursuant to the previous order of the House had expired.

Pursuant to House Resolution 482, there will be 2 additional hours of general debate. The gentleman from Ohio [Mr. KASICH] and the gentleman from Minnesota [Mr. SABO] will each control 1 hour.

Mr. SABO. Madam Chairman, I ask unanimous consent that the gentleman from Texas [Mr. ARCHER] be allowed to control the time for the gentleman from Ohio [Mr. KASICH] temporarily and be allowed to yield time.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

The CHAIRMAN. The Chair recognizes the gentleman from Texas [Mr. ARCHER].

Mr. ARCHER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, since 1965, roughly 30 years ago, government in this country has spent $5.5 trillion on welfare programs, more than has been spent on all of the wars fought in this century. Yet people are poorer and more dependent than ever. Despite our best efforts, despite the expenditure of these massive amounts of money, we have lost the war on poverty.

Madam Chairman, today, we stand on the threshold of a new effort, an effort that can win the war.

With the vote we take today, we recognize that the Great Society's welfare programs have not helped people. They have destroyed people. They have not kept families together. They have torn them apart.

These policies haven't turned urban areas of America into shining cities on a hill. They have made them into war zones where law-abiding citizens are afraid to go out at night.

They have led to the creation of two Americas. One marked by hope and opportunity. The other by despair and decay.

In short, the welfare state has created a world in which children have no dreams for tomorrow and parents have abandoned their hopes for today. The people trapped in welfare. The mothers, the children, the fathers, are America's citizens, one and all. We have a moral obligation to them, as Americans, to lend a helping hand.

For the people on welfare aren't abusing welfare, as much as welfare is abusing them.

We are on the threshold of improving America by fixing our failed welfare state. We're improving America for the children on welfare, for the parents on welfare, and for ourselves.

Our reforms are based on five pillars. The pillars represent the values that made America great.

One—we think people on welfare should work for their benefits. A welfare worker I spoke with told me the biggest beneficiaries of work aren't the moms or the dads. Yes, they benefit. But she said it's the children who watch their parents get up each morning, go to a job, and return home at night who are the big winners. These children get better grades in school, have fewer problems with crime, and are less likely to end up on welfare because the values and virtues of work, not idleness, are instilled in them at a young age.

Two—Time limit benefits. Welfare should be a temporary helping hand, not a way of life.
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Three—Provide no welfare for felons and noncitizens. America always has been and always will be the land of opportunity for immigrants. But it's not right to ask hardworking, taxpaying Americans to support noncitizens who come here and then go on welfare.

Four—Ensure personal responsibility and fight illegitimacy. We shouldn't have a welfare system that promotes illegitimacy and discourages marriage. It's time to change signals and return to old-fashioned values.

Madam Chairman, today's vote will be historic.

It represents the biggest, most helpful change to social policy in America since the 1930s.

This vote recognizes that America is a caring country, that Americans are a giving people, and that welfare recipients are capable of success if we would only help them to help themselves.

Our colleague, J.C. WATTS, has a wonderful way of expressing it. He says America's welfare recipients are eagles waiting to soar.

Madam Chairman, I think it's time we removed the heavy hand of the Federal Government from their wings. We must let our fellow citizens on welfare reach new heights as they climb the economic ladder of life.

That's what this bill does. It helps people to help themselves. It restores hope and it provides opportunity. It's strong welfare reform and it's what the American people have wanted for years.

Madam Chairman, there is no good reason why this bill should not be passed by the Congress and signed into law. The American people expect nothing less, and families on welfare deserve much, much more than the sad status quo.

For the sake of all Americans, I hope the President will let this bill become law.

Madam Chairman, I reserve the balance of my time.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. MATSUI].

Mr. MATSUI. Madam Chairman, yesterday we heard the chairman of the Budget Committee say that this debate was really about Judeo-Christian ethics. That is why I was somewhat disappointed last night, when I read Congress Daily. In the Congress Daily we talked about welfare reform and we talked about what this debate was really all about. The chairman of the subcommittee that has jurisdiction over welfare was quoted as stating from a political point of view, the President of the United States is in a box.

Madam Chairman, that is what this debate is all about—to jeopardize 9 million children who will be affected by this bill just to put the President of the United States in a box.

What kind of people would draft legislation for political purposes to affect so many children of America? This bill is weak on work and tough on America's children.

□ 1100

The Congressional Budget Office, their own agency, hired by the Republican House and Senate, has said that the 1.7 million jobs that the Republican Senate version of the bill would create by a woman going off welfare is an illusion. It is deceptive, it is not going to happen, because they do not provide the resources for it. Their own agency has said they will not obtain those 1.7 million jobs. So this is not a jobs bill. This is not a bill to get people off of welfare into work.

But the worst part of this bill is what it will do to children. Because of those time limits and because of the fact that the Republican bill prohibits the States from using Federal funds for vouchers or any kind of assistance after a woman meets those time limits, she will then become destitute, she will become homeless, her children will probably have to go into foster care, even though she might be a good mother.

This is what this is all about. It is about politics to hurt America's children. I urge a "no" vote on this legislation.

Mr. ARCHER. Madam Chairman, I yield 2 1/2 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], the chairman of the Subcommittee on Oversight of the Committee on Ways and Means, the chairman of the Committee on Standards of Official Conduct and member of the Budget Committee.

Madam Chairman, I rise in strong support of this bill, and I could not disagree more with the preceding speaker.

We have to change the future. Welfare cannot be a way of life for either women or children. It is not a satisfactory way of life. There is no hope, there is no opportunity when you are on welfare.

This vote recognizes that America is a caring country, that Americans are a giving people, and that welfare recipients have the right to ask hardworking, taxpaying Americans to support them. We shouldn't give them more than the sad status quo.

Mr. ARCHER. Not to my knowledge, Madam Chairman, but I might inform the chairman of the chairman of the Committee on Ways and Means, we are curious if there is a final version of the bill and if there is a final summary of the last minute changes.

Mr. ARCHER. Madam Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Texas.

Mr. ARCHER. Madam Chairman, the Committee on Ways and Means has made a part of the rule we voted on. Mr. SABO. Is there a summary of the last minute changes that were made?

Mr. ARCHER. Not to my knowledge, Madam Chairman, but I might inform the chairman of the chairman of the Committee on Ways and Means; it came out of his committee, the Committee on the Budget.

Mr. SABO. Well, it has been substantively changed, it came through the Committee on the Budget.

Madam Chairman, I yield 2 minutes to the gentlewoman from California [Ms. WOOLSEY].

(Ms. WOOLSEY asked and was given permission to revise and extend her remarks.)
Ms. WOOLSEY. Madam Chairman, we all agree that welfare does not work, the welfare system does not work for the taxpayers, and it does not work for the families who are on welfare, and we all agree that the welfare system must be overhauled. It must be overhauled so that it helps recipients get jobs and stay off welfare permanently. But that is the easy part.

The challenge and responsibility we face as legislators, however, is finding the answers to, what if's. What if a mother on welfare cannot find a job? What if she and her family are hungry and sick and have nowhere to turn? What if she loses custody of her children? What if her benefits are cut off and she is unable to provide her children with food, with clothes, and with health care?

Madam Chairman, this bill does not even attempt to answer these, what if's. In fact, the majority has gone out of its way to overlook the basic needs of children, children whose parents are unable to get a job.

This bill says to poor children, do not get hungry, do not get sick, and, for Pete's sake, do not get cold, because your time is up, and we do not care if you are important enough to provide you with the basics that you need to survive.

Madam Chairman, no other Member of this body knows better than I do that this is the wrong way to fix welfare. Are we really going to turn to a single mother with three small children tomorrow? How many years ago, I could not have stayed in the work force if I did not have the safety net of health care, child care, and food that the welfare system provided for my family?

I urge my colleagues, do not take this vote lightly. Your vote today will have consequences, consequences for children long after election day, and it will be too late to answer the, what if's of tomorrow.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. HERGER], a respected member of the Committee on Ways and Means.

Mr. HERGER. Madam Chairman, over the last three decades the American taxpayer has spent $5 trillion on our welfare system. Working Americans have worked and paid taxes, and we have gained from all that spending? Do we have less poverty in the United States? No; are welfare recipients spending less time on welfare? No; after spending $5 trillion on welfare, have we solved the problems of poverty and dependency—Federal dollars? Is it extreme to think that maybe there is a better way of running our welfare system? Madam Chairwoman, the Republican welfare reform proposal will allow welfare to work better for all Americans. Our welfare reform makes welfare workable—Federal dollars. It promotes work over a continual cycle of welfare. It returns power and money to the States and encourages personal responsibility. Madam Chairwoman, this reform proposal also denies welfare for noncitizens and includes a provision I developed with a sheriff in my district to deny imprisoned criminals welfare and create an incentive for local law enforcement officials to help stop this abuse. Currently, an estimated 5 to 10 percent of inmates in local and State jails is illegally receiving welfare checks. Without this welfare reform, the American taxpayer will allegedly give prisoners $270 million over the next 7 years in welfare payments.

Madam Chairwoman, our current welfare system is inefficient, unfair, and damaging to those it is supposed to help. The American people deserve a better welfare program that is unaccepting to those abusing the system and compassionate to those in real need. I urge my colleagues to vote for this welfare reform.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from New York [Mr. RANGEL].

Mr. RANGEL. Madam Chairman, we have gotten off the subject now of substantive legislation, and we are now dealing with Presidential politics. Well, let us do it. The welfare bill now has become like a tennis ball in a political volley, and the question is, Does it make more sense to force the taxpayers, and it does not work for the children of our country? This is the easy part. We have tried so many times on the Republican side to find out just what is it that the President hates. Obviously, what was recommended by the other side as relates to Medicaid. So what was the solution? Continue to make certain it was one package, until it becomes politically expedient to change welfare as we know it, or really do we want to get the President in the position that he has to veto the bill?

Well, we have tried so many times on the Republican side to find out just what is it that the President hates. Obviously, what was recommended by the other side as relates to Medicaid. So what was the solution? Continue to make certain it was one package, until it becomes politically expedient to change welfare as we know it, or really do we want to get the President in the position that he has to veto the bill?

Who really suffers? Is it really the voters, or is it our children? This obsession in saying that the Federal Government cannot take care of them has not responsibility to our children, but the Congress used to be trusted. And then to have the Christian coalition to come up and embrace this in a Christian way.

Well, thank God we have the National Council of Catholic Bishops that say the program stinks. Thank God we have the Jewish Council on Poverty that says it is no good. Thank God we have the Protestant Council that says it is no good. It may be good politics, but it is bad for the children of our Nation.

Thank you for the concept that we are saying 5 years, but the Governors can say 2: We are relinking our responsibility to the children of the United States of America, and it is a bad day in the congressional history.

Mr. ARCHER. Madam Chairman, I yield 2 minutes to the very respected gentleman from Louisiana [Mr. MCCREARY], a member of the Committee on Ways and Means.

Mr. MCCREARY. Madam Chairman, I thank the gentleman for yielding me time.

Madam Chairman, I want to talk for just a while about the basis for reform. I think it is worthwhile to examine the current welfare system and its results over the last few years.

This chart shows very graphically, this line right here is the poverty rate in the United States. Beginning in 1980, you can see it drops until about 1985 or so.

Well, it just happens to be that 1965 was the beginning of the Great Society programs, and the avalanche of welfare spending in this country; as it has been said, $5 trillion over the last 30 years.

What happens in 1965? It flattens out. The poverty rate, and then even goes up. So nothing has happened on the poverty rate. It has even gone up a little bit since 1965, since we have spent $5 trillion.

This blue line right here is spending on welfare. Look, it is going off the chart in 1995. We are not getting the results, folks, that were advertised with all the taxpayer spending that we have done.

It is the current system that is trapping children in poverty. It is the current system that is cruel to children. And if you do not recognize that, you have not been paying attention.

Now is the time, not next year, not 5 or 10 years from now, now is the time finally to do something about this terrible welfare system that we have got. The status quo stinks. Admit it. Let us do something about it and quit talking about it.

We sent the President two welfare bills. We are going to send him another one. We keep modifying it. This one is patterned after the bipartisan Governors' proposal. I have met with the President to talk about welfare reform, and this is very, very close. This bill is very, very close to what the President says he wants.

Let us pass it, send it to him, and I hope he signs it.

Mr. SABO. Madam Chairman, I yield 21/2 minutes to the distinguished gentleman from Tennessee [Mr. FORD].

Mr. FORD. Madam Chairman, let me thank my colleague for yielding me time.

Madam Chairman, much of today's welfare news is good. There are fewer welfare and food stamp recipients today than when President Clinton took office. The poverty rate is down and teen pregnancy rates are lower in the United States. Teen birth rates have dropped, and well, Chairwoman, collections have grown and welfare reform is alive and well in States, thanks to 38 waivers approved by the Clinton administration.
That is all good news for the President and even better news for American families.

Unfortunately, Madam Chairman, we have not made much progress on national welfare reform. Partisan politics seems to have gotten in the way, and that is a shame. President Clinton has twice sent Congress welfare reform proposals. He has sent clear signals about the kind of reform he will sign into law. He wants a bill that requires work, promotes responsibility, and protects children. He would impose tough time limits on adult recipients, require more funding for child care, require teen parents to live at home and stay in school, and crack down on child support enforcement. And that is real welfare reform.

He vetoed the Republican plan, H.R. 4, because it was not real welfare reform. He rejected H.R. 4 because it was weak on work, it did little to move people from welfare to work, it did not guarantee child care, it gutted the earned income tax credit, it was tough on children, it made unacceptable deep cuts that undermined child welfare, school lunch, and health programs for children. It was a step backward in an effort to get health care coverage to all Americans and it eliminated the guarantee medical coverage that single parents need to move from welfare to entry-level jobs.

Recently, the National Governors' Association, today we will try again to send another welfare package to the President. I remain skeptical about what my Republican colleagues want as a bipartisan effort in a Republican bill. Admittedly, this new Republican plan corrects some of the worst mistakes of the vetoed bill, confirming that the President was right to say "no" to the last Republican plan, but it looks to me like the Republicans want to make certain that this bill is also unacceptable to the President.

I want to make one point to clear. Madam Chairman. I support welfare reform. So does our President. But we also want to make sure that needy children are not the victims of excessive election-year posturing. Real welfare reform should give children a safety net on which to rely, and it makes certain children are not punished for the mistakes of their parents.

Mr. ARCHER. Madam Chairman, I yield 3 minutes to the gentleman from Texas [Mr. DELAY]: the whip of the House.

Mr. DELAY. Madam Chairman. I thank the chairman for yielding me this time, and I rise in support of this legislation. I really commend the chairman of the Committee on Ways and Means and the Committee on the Budget for their efforts in producing this legislation.

Madam Chairman, as my colleagues ponder their vote on this important issue, I would just urge them to consider this question: Does the current welfare system help people realize the American dream? If the answer is no, we should vote for this reform legislation.

I believe that the current welfare system has destroyed the American dream for too many people, and this bill is an important part of our agenda to restore the American dream. It also represents a core philosophical principle; that a hand-up is better than a hand-out.

The American people have rightfully demanded that we fix this welfare system. They instinctively understand that the current welfare system undermines incentives to work, encourages the expansion of the underclass, breaks up families, and promotes welfare as a way of life. And they understand that the current system is a perversion of basic American values that value work, that promote personal responsibility, and that foster freedom.

This reform legislation values work. It requires that every able-bodied welfare recipient work for their benefits within 2 years. It promotes personal responsibility, and promotes work. It ends welfare as a way of life. And it makes certain children are protected and it makes certain children are not the victims of excessive election-year posturing.

Our reform plan gives welfare recipients the incentives to gain their freedom, to gain control of their lives and to become productive members of society.

Madam Chairman, some on the left call our efforts mean and extreme. Well, I say that defending the status quo is extreme. Continuing the current system that has destroyed families and promotes dependency means the law. The legislation, this legislation, is a common-sense effort to restore the basic American values of work, personal responsibility and freedom to our Federal welfare system. It is a necessary step to restore the American dream for those who are currently in the welfare system.

I urge my colleagues to have the courage to change this system. Stand with the American people and vote for this commonsense reform plan.

Mr. SABO. Madam Chairman. I yield 2 minutes to the gentleman from Virginia [Mr. PAYNE].

Mr. PAYNE of Virginia. Madam Chairman, I yield my colleagues to support this plan. Mr. SHAW. Madam Chairman. I thank the gentleman from Florida for yielding me this time, and I commend him for his tenacious and principled support for true welfare reform.

Madam Chairman, welfare as we know it has unmercifully condemned generation after generation of Americans to a life without hope and without access to the American dream. This bill will foster independence by breaking the chains that bind families to the welfare state.

The current system, which fosters poverty, despair, hopelessness and illegitimacy will be replaced with a program that generates hope, optimism, and self-esteem. People will be accountable for their own lives. Mothers and fathers will teach their children responsibility, and they will teach a man to fish, he can eat for the rest of his life.

Our reform plan gives welfare recipients the incentives to gain their freedom, to gain control of their lives and to become productive members of society.

Madam Chairman, I support welfare reform. Our reform plan gives welfare recipients the incentives to gain their freedom, to gain control of their lives and to become productive members of society.

I urge my colleagues to support this plan.

Mr. ZIMMER. Madam Chairman, I thank the gentleman from New Jersey [Mr. ZIMMER], a distinguished member of the Committee on Ways and Means.

Madam Chairman, I thank the gentleman from Florida for yielding me this time, and I commend him for his tenacious and principled support for true welfare reform.

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I urge my colleagues to support this plan.

Mr. PAYNE of Virginia. Madam Chairman, I yield my colleagues to support this plan. Mr. SHAW. Madam Chairman. I thank the gentleman from Florida for yielding me this time, and I commend him for his tenacious and principled support for true welfare reform.

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I urge my colleagues to support this plan.
pass this legislation. I urge the President to sign this legislation. 

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, in a ideal world we would not be forced to save money while sacrificing even some of our children. In an ideal world we would provide something to wear, something to eat, and a place to sleep for all of our children, even those who happen to be born in circumstances not of their own creation or their own will. In an ideal world we would not set time limits and spendonaps and impose budget savings requirements on the most vulnerable people of our society, our children.

I realize, however, we do not live in an ideal world. I too believe we must reform our welfare system because the current welfare system surely is not working. We propose a different welfare system by the Republicans is doomed not to work either. In fact, I offer to say that it will not work for millions of children and for millions of mothers that we want to be self-sufficient and who desire to work.

I intend to vote for Castle-Tanner because it treats our children better than the bill before us treats them. It honors people's will. The bill before us is short on reform, weak on work, and tough on our children. Millions of children will be abandoned.

I admonish my colleagues, as they consider the decision they will make in the context of the decisions we make all the time, and the ones we have made. Last week this House refused to fund teenage pregnancy prevention programs. Now, $34 billion is owed by parents who have left their children's home to custodial parents. Thirty percent of these people leave the State in order to avoid welfare. The bill he has developed by Republicans in a closed meeting, rather than using an open forum so that we could debate some of these issues and could work out some of these issues.

The Castle-Tanner substitute is the only bill that has been worked out in a bipartisan manner in an open forum. I urge my colleagues to support the Castle-Tanner substitute. It is far better than the Republican bill and although I believe it can be improved, I urge my colleagues to vote for the substitute and against the underlying bill. Although I believe the House Committee and the Senate Committee and the Congress and the administration and the Republicans, to dramatically change our welfare system. It can be done this year. If our objective is to get a welfare bill enacted, I urge my colleagues to vote for the Castle-Tanner substitute. It is far better than the Republican bill and although I believe it can be improved. I urge my colleagues to vote for the substitute and against the underlying bill.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Madam Chairman, I want to respond to the distinguished gentleman from Washington [Ms. DUNN], a distinguished member of the Committee on Ways and Means.

Ms. DUNN. Madam Chairman, I am involved in this debate on welfare because I believe that the current welfare system and what it does to children, and families is a crime. This bill is without it is broken, and it needs to be fixed.

For the third time today, Madam Chairman, we are going to vote to send to the President a welfare bill so he can keep his promise that he made in his campaign to reform welfare. It is a clean bill and an honest bill. It is based on the second principle of return.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. CARDIN].

Mr. CARDIN. Madam Chairman, I along with many of my colleagues on both sides of the aisle have been working for almost 4 years to dramatically change our welfare system. The current system has failed. A new system is needed. The Federal Government in partnership with our States needs to provide temporary compassionate assistance to those who have genuine need, making it clear that people who receive welfare must become responsible people. The bill he has developed by Republicans in a closed meeting, rather than using an open forum so that we could debate some of these issues and could work out some of these issues.

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Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from the State of Georgia [Mr. COLLINS].

Mr. COLLINS of Georgia. Madam Chairman, I thank the chairman for yielding the time to me.

Madam Chairman, we have previously debated and passed legislative proposals that will change the welfare
system. And although President Clinton vetoed those measures, he has proposed welfare legislation of his own.

So today, we have two different approaches to welfare reform. We must clearly understand that the real debate is about whether we are going to just piecemeal reform the broken welfare system, or if we are going to entirely change welfare as we know it.

We all agree the welfare system is a failure. It is an open-ended Federal entitlement that encourages people to believe that receiving a welfare check, free health care, and other frills without working is their right. By the end of the decade, American workers will have spent over $5 trillion on welfare programs. After 30 years under the current system, our poverty rates remain unchanged and we have millions of people trapped, dependent upon broken welfare programs.

Americans are tired of paying for a welfare system that just doesn't work. And although Presidential candidate Clinton once stated that he intended to change welfare as we know it, his proposed bill was an attempt to make limited reforms to a system that fails those who receive welfare and those working people who pay the bill.

In sharp contrast to the President's patchwork plan, the Republican majority's proposal changes the welfare system as we know it. The Republican plan solves the one-size-fits-all entitlement system. This measure will transfer the management authority from the bureaucratic Federal level to the States. Local authorities will finally have the ability to design a welfare program that best meets the needs of the poor in their region. Welfare programs will be able to raise local property taxes to finance programs that best meet the needs of the poor in their region. Welfare programs will be able to raise local property taxes to finance programs that best meet the needs of the poor in their region. Welfare programs will be able to raise local property taxes to finance programs that best meet the needs of the poor in their region.

Local hospitals and local governments may go broke to hold the bag for these costs. These facts are not lost on those who receive welfare and those working people who pay the bill.

Mr. WAXMAN. I yield to the gentle- man from Minnesota.

Mr. WAXMAN, Absolutely.

Mr. WAXMAN. Absolutely.

Mr. WAXMAN. Absolutely.

Mr. WAXMAN. Absolutely.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Pennsylvania [Mr. ENGLISH].

Mr. ENGLISH. Madam Chairman, on the Select Committee on Ways and Means. Mr. ENGLISH. Madam Chairman, today we will vote on fundamental welfare reform legislation, a mainstream proposal that works for America. We have seen this bill take away Medicaid for those who feel that way are the ones who don't know how to choose their food. And they are having a similar idea that needs to be reformed. But it does not meet the test of family-friendly.

Mr. WAXMAN. I yield to the gentleman from California [Mr. WAXMAN].

Mr. WAXMAN, Absolutely.

Mr. WAXMAN. Absolutely.

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Mr. WAXMAN. Absolutely.
me, because they are making it permissive. They cannot do it or they may do it. Why not say, as our bills do, that they will be required to provide vouchers to these children who will go off Medicaid?

My colleagues have exceeded the limits of reason and sympathy and compassion which this Congress is supposed to give to the American people. They are not fooling the American people by saying this is a good welfare bill. We all want to reform welfare. Why can we not get together, both Republicans and Democrats, put our heads together and reform the welfare system in a way that makes a one-sided view toward Medicare and welfare possible?

I say to my colleagues, turn this bill back. I do not blame the President of the United States. Every time we send him a bad bill, he should veto it, no matter how many times.

Mr. SHAW. Madam Chairman, I yield 1 minute to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington. Madam Chairman, I thank the gentleman for yielding the time to me.

I am very alarmed at the misinforming of the American public. We are misleading the American people that the major point is whether we are going to take care of the children, whether we want to protect the children.

In the Republican bill, the bill that we are debating and voting on today, in fact, we have been told by the people who make these estimates that we need, in child care, $16 billion to perform the duties that are outlined in the bill. We have, in fact, in the Republican bill provided $23 billion.

Madam Chairman. I just want to say in my book of mathematics, that leaves $7 billion aside that can be helped to ease working mothers off AFDC into the working world.

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In addition, Madam Chairman, that is $4.5 billion more than is in the current child care portion of the welfare bill. If the misinforming of the American people is to think that it is also $2 billion more than the President has in his own legislation.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Nevada [Mr. ENSIGN], a member of the Committee on Ways and Means.

Mr. ENSIGN. Madam Chairman. I think we have to ask ourselves a couple of fundamental questions. First of all, has the current welfare system worked? Has it helped children? Is it compassionate, especially to those children? Should we continue to give cash payments to prisoners and drug addicts?

The answers to these questions are obvious. Out-of-wedlock births have skyrocketed since our welfare system began. Crime rates have skyrocketed. This is federally funded child abuse.

My colleagues will tell the teenage mom, 'If you have a child out of wedlock, move away from your parents, we'll get you an apartment. By wedlock, move away from your parents.'

This is federally funded child abuse.

This is a common view. We are told the teenage mom, 'If you have a child out of wedlock, move away from your parents, we'll get you an apartment. By wedlock, move away from your parents.'

This is federally funded child abuse.

By the way, don't work, don't save, and if you want a little extra money, have another child out of wedlock.' This is truly federally funded child abuse.

Our bill does something remarkable. It reforms welfare in a compassionate way. It has $2 billion more, as the previous speaker talked about, for children. Instead of doing to the President, we are demanding that in the transition from welfare to work we can help families do that.

We also provide transitional health care, which is one of the biggest incentives to staying on welfare, the lack of health care coverage.

We also provide cash payments to noncitizens and prisoners. There is a fundamental disagreement between that side of the aisle and this side of the aisle on whether we should continue cash payments to noncitizens. We believe. I believe strongly, that it should be reserved for U.S. citizens.

We also fundamentally believe that we have to have a limit, a time limit on the amount of time that somebody can receive welfare benefits. There is no greater incentive than to know that at the end of a certain period of time they are going to have to get a job, they better get their life together, they better get their job training, they better get advantage of the job training we provide, get their life together so that they can get off of welfare so that they can take care of their own family and have that personal responsibility.

Lastly, from somebody who grew up with a deadbeat dad, I am applauding this bill. But I am making an obvious statement. It does not have enforcement provisions that it has so we can go after those deadbeat parents who are abandoning their children and not taking full responsibility.

I thank the chairman of the subcommittee for writing a great bill. Mr. SABO. Madam Chairman, I yield myself 1 minute to say I find it very unfortunate when we compare legal immigrants in this country with prisoners and put them in the same category.

In fact I find it sort of personal. My parents were both immigrants to this country. I remember when my mother became a citizen. I also hear this discussion of nothing has ever been given or done in conjunction with legal immigrants. My father was a home-stead. That was how he and many other immigrants got started in this country, and they worked hard and did well.

But regardless of how one feels on this question, to rhetorically combine legal immigrants with prisoners I think is totally unfortunate.

Mr. HOYER. Madam Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. HOYER].

(Mr. HOYER asked and was given permission to revise and extend his remarks.)

Mr. HOYER. Madam Chairman, there is a consensus on this floor that our welfare system undermines the core values Americans believe in: responsibility, work, opportunity, and family. Too many people who do not want to be on welfare cannot escape it. Too many people who want to be on welfare are allowed to coast at the taxpayers' expenses.

We agree that we must create a different kind of social safety net which will uphold the values our current system undermines. It must require work, it must demand responsibility, and it must protect children.

Today the House will consider two alternative welfare reform proposals. One, offered by the House Republican leadership, I suggest is not reform at all, although it has much in it with which I am in agreement. I do not agree. It lacks the funds for serious work requirements. CBO says so, not us. And under this bill children can be denied all support, even in an emergency, when their families are cut off welfare due to time limits.

When the American people demanded an end to welfare, this is not what they had in mind.

The so-called welfare reform bill offered today by the Republican leadership makes a mockery, in my opinion, of the American values of work and family. It does have progress in it. But it is a sham. It does not fulfill the American public wanted. They wanted us to come together in a bipartisan manner and reform welfare. Governor CASTLE, now a Congressman, and the gentleman from Tennessee [Mr. TANNER] have done exactly that. Their bill brings together and reinforces familiar ideas while meeting our responsibilities to our people and reinforcing our expectations on their personal responsibility.

I urge my colleagues to come together in a bipartisan fashion, as most of the Members on this side of the aisle have done, and support a bipartisan effort to accomplish this objective. All of us should do the same.

America's welfare system is at odds with the core values Americans believe in: responsibility, work, opportunity, and family. Too many people who don't want to be on welfare can't escape it. Too many people who want to be on welfare are allowed to coast at the taxpayers' expense. In both cases, this broken system weakens families, undermines personal responsibility, destroys self-respect and initiative, and fails to move able-bodied people from welfare to work.

In summary, the overall welfare system is long overdue. We must create a different kind of social safety net which will uphold the values our current system destroys. It must require work. It must demand responsibility. And it must protect children, to break the generational cycle of poverty.

When the American people consider two alternative welfare reform proposals. First, offered by the House Republican leadership, is not reform at all. It lacks the funds for serious work requirements. It shreds the safety net for children. The Nation's Governors adopted a resolution expressing their concern about reform proposals. It must include increasing work requirements in the Job Program, a shortfall of $13 billion which will knock the teeth out of the much-touted work requirements in the Republican bill.
The second alternative, the bipartisan Tanner-Castle welfare reform proposal, will truly reform our broken system. It, and alone, requires all recipients to start work—real work, in real jobs—within 2 years. It provides funding to make those requirements real. It establishes a 5-year lifetime limit for welfare benefits, with a State option to create a shorter limit. It requires teen parents to live at home or in a supervised setting, and teaches responsibility by requiring school or training attendance as a condition of receiving assistance. It includes tough child support enforcement provisions to make sure deadbeat parents live up to their responsibility to support their children.

Unlike the Republican leadership proposal, the Tanner-Castle bill is tough on work without being tough on kids. It includes additional funding above the leadership bill for child care, to make sure children aren't left on the streets when their parents go to work. Under the Republican leadership bill, children would be denied all support, even in an emergency, when their families are cut off welfare because of a time limit. The bipartisan bill provides vouchers to meet the needs of children if their parents exceed the welfare time limit. While the Republican leadership bill would deny Medicaid to children; the Tanner-Castle bill requires all recipients to start work—real work, in real jobs—within 2 years. It provides funding to make those requirements real.

The so-called welfare reform bill offered today by the Republican leadership makes a mockery of the American values of work and family. It contains a hollow promise of work requirements which the Congressional Budget Office both concedestates cannot achieve. It strips poor children of food assistance and medical care. I do not believe that when the American people demanded an end to welfare as we know it, this is what they had in mind.

The bipartisan Tanner-Castle bill supports those American values we all share. It demands work and personal responsibility without shredding the social safety net and abandoning children. I urge my colleagues to reject the Republican leadership bill, and support the bipartisan Tanner-Castle proposal.

Mr. Chair, I yield myself such time as I may consume. I would like to respond very quickly to what the gentleman from Minnesota [Mr. SABO] said. Nobody in this House is criticizing putting anything saying that people cannot come to this country to experience the American dream. But this bill puts the class of felons. That is ridiculous. That argument falls on deaf ears. It has no relevancy.

But I would like to share this with him. When his parents or grandparents came into this country, they made a pledge not to become a public charge. And I would bet next week's paycheck that they did not become a public charge. They came for a better way of life, and they went to work. They made something of themselves, and they had a child, a grandchild, that came to the U.S. Congress. I would also like to say, when we are talking about aliens, aliens over 65 are five times more likely to go on SSI than citizens over 65. Alien SSI applicants have increased 370 percent from 1982 to 1992. We have got to stop making welfare available for citizens of other countries. That is what the majority is all about.

Madam Chairman. I yield 2 minutes to the gentleman from Nebraska [Mr. CHRISTENSEN], a valuable member of the Committee on Ways and Means.

Mr. CHRISTENSEN. Madam Chairman, welfare reform is an issue, like the previous speaker said, that we can agree on, that we can come together on in a bipartisan fashion and that we can work together on. I think all agree that the welfare system has caused people to lose their sense of self-worth instead of themselves. I think Senator JOHN ASHCROFT said it best last week when he talked about the system, that it has deprived hope, it has diminished opportunity, and it has destroyed lives.

But there are questions that we have to answer. Are we going to spend billions of dollars, having the problems of poverty and of dependency? How many more families are we going to allow to be trapped in the current system before we get a bill out of this House? How many more children must we sacrifice to poverty before we say enough is enough?

As my colleagues know, we have heard many people say, and I think the statement is accurate, the fact is we cannot have a moral environment to raise children in America when we have 18-year-olds having babies, 15-year-olds killing each other, 17-year-olds dying of AIDS, and 18-year-olds who are graduating with diplomas that they cannot read. If we are to restore our moral health in this country, we must change the system that fosters that environment.

As Franklin Delano Roosevelt said in the last century, 'It is the giving permanent aid to anyone destroys them.' Our bill gives people a chance. It puts a hand out. They can help themselves. It is time that we worked together in a bipartisan fashion to end welfare as we know it.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Washington [Mr. McDERMOTT].

[Mr. McDERMOTT asked and was given permission to revise and extend his remarks.]

Mr. MCDERMOTT. Madam Chairman, the gentlewoman from Florida put her finger on the fundamental problem here, and that is that the Republican bill will not guarantee support to children if all else fails.

Now, my brother runs the public assistance program in the State of Washington. I know in the State of Washington there are 100,000 adults on welfare, 125,000 people, unduplicated count, on unemployment. That is 225,000 people on average every month in the year 1995. If they all showed up for a job on tomorrow, there would be jobs.

Last year they created 44,000 new jobs in the State of Washington. That means 181,000 adults in the State of Washington, that DRI, McGraw-Hill, the economic forecaster says—of the fifth most rapidly growing State in this country, could not get jobs, 181,000 people.

Now the Labor Department has recently said that the unemployment rate is as low as it ever is. Tomorrow Washington is going to meet with the Federal Reserve. Washington is meeting with the Federal Reserve on raising the interest rates so that we can slow the economy so we do not have inflation. Now, we cannot slow the economy and stop job creation when we have 181,000 people in 1995 in the State of Washington who could not get a job and say to their children. 'Hey, folks, kids, I'm sorry, we've all cut down for a job, but there was none, and you can't eat.' That is what the Republican bill says. They will not give a voucher if they have done everything, and there is no way.

I think the President, who cares about the kids in this country, is going to take a long hard look at what comes out of this body because if we are not careful of how we deal with the weakest and the most vulnerable in our society, we are not a civil society.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Texas, Mr. SAM JOHNSON, from the Committee on Ways and Means.

[Mr. SAM JOHNSON of Texas asked and was given permission to revise and extend his remarks.]

Mr. JOHNSON. Madam Chairman, I have to disagree with the gentleman that just spoke. It is a shame, but I tell my colleagues that the Government has been spending billions of dollars, and I would just like to know, has the Government solved our problems of poverty and dependency? I think not. How many more families are going to be trapped in the system while we spin our wheels here in Washington, DC, talking about it? Do my colleagues not think that State and local governments, churches and communities can do a better job of caring and providing for our Nation's welfare recipients? Of course they can.

As my colleagues know, how many more of our Nation's cities are we going to surrender to poverty and violence before we here in Washington decide to act? Why does Washington continue to promote a welfare system that encourages illegitimacy and discourages parents? Should not Washington encourage work? I think so.

I tell my colleagues what this bill is about: compassion, hope and opportunity. It is about people coming together and taking charge of a system that failed to us, and every mother and every child on welfare.

Do we trust Washington, or do we trust the local charities, the churches, community centers, and local government officials? I trust and believe the American people at home will have the answer. Can we do better than the welfare system which we have in place right now?
This strong welfare reform bill ends welfare as we know it. It gives power back to the States, power back to the communities, power back to the people at local communities to solve their own problem. It is a must that we act today to pass this legislation.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from California [Ms. WATERS].

Ms. WATERS. Madam Chairman, both of these welfare reform bills before us are little more than poll-driven political responses to a real problem. This is not true welfare reform. Instead we are placing a foot on the necks of poor children and families and calling it reform. Every Member of Congress understands the difference between an AFDC entitlement and not having one. We all understand the difference between block grants and Federal involvement in this problem.

In desperation, I appeal to each Member's spiritual sense. I challenge those who claim moral values. To the Christian in the Christian字符set, I challenge you today, the Bible is replete with examples of how we are obligated to treat the poor. Witness Proverbs 14:31: He who oppresses a poor man insults his maker, but he who is kind to the needy honors him.

Proverbs 20:7: A righteous man knows the affairs of the poor; a wicked man does not understand such knowledge.

Ecclesiastes 4:1: Defraud not the poor of his living, and make not the needy eyes to wait long.

Ecclesiastes 4:4: Reject not the supplication of the afflicted; neither turn away thy face from a poor man.

And Deuteronomy 15:7-8: Thou shalt not harden thine heart, nor shut thine hands from thy poor brother: but thou shalt open thine hand wide unto him, and shalt surely lend him sufficient for his need.

Mr. SHAW. Madam Chairman, I yield 1 minute to the distinguished gentleman from Tennessee [Mr. WAMP].

[Mr. WAMP asked and was given permission to revise and extend his remarks.]

Mr. WAMP. Madam Chairman, one of the most wonderful lessons for the young people of this country is that great things can be done in our society when it does not matter who gets the credit. The Republicans should be committed for taking Medicaid off of their welfare bill because the President, our President, came here in January and asked us for a clean welfare bill and welfare bill because the President, our credit. The Republicans should be committed for taking Medicaid off of their welfare bill. This is the clean bill that he asked for: it is. We disconnected Medicaid so he would sign it, not so he would veto it. We should pass it today and give him this clean bill. It does not matter if he gets the credit. The Democrats should not care if the Republicans get the credit, because it is these children that are trapped in dependency and poverty that are going to get the benefit and the reward.

We are doing the people's business. We should pass the conference report when it comes back, and we should support the President so he can sign this bill into law and do the people's business.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Madam Chairman, I rise in strong support of the bipartisan welfare reform bill offered by MIKE CASTLE and JOHN TANNER.

The Castle-Tanner bipartisan bill is a much better bill than the alternative presented by the other party. It requires work, and provides the support needed to make the commitment to work a reality and not just rhetoric.

The bipartisan welfare reform bill improves past efforts made by this House in significant ways while continuing to promote personal responsibility as its central theme.

Indeed, this approach requires all workfare repercussions for parents. It relies on the responsibility contract which outlines a plan for the recipient to become self-sufficient as quickly as possible.

And the bipartisan bill holds deadbeat parents responsible for their children through strong child support enforcement measures.

Castle-Tanner also ensures greater State flexibility by giving the States the option of providing vouchers for the needs of the child, or emergency assistance to families that have reached the time limits but have been unable to find a job.

This bill also provides a more substantial contingency fund to assist States with high unemployment or increases in child poverty. If the fund is exhausted during hard times, the bill creates an uncapped contingency fund for real emergencies.

My colleagues, this bill provides greater resources to ensure that welfare reform will succeed, it improves State flexibility, and it guarantees fiscal and personal responsibility. Above all, it protects innocent children.

We have the opportunity to pass a meaningful, bipartisan, welfare reform bill that the President will sign. Let's not squander this chance. I urge you to vote "yes" on the bipartisan substitute.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume.

Mr. SABO. Madam Chairman, I would ask the gentleman from California if he is aware that the bill that he has endorsed imposes a tax increase which the President characterized as a tax increase on the working poor by slashing EITC?

Mr. FAZIO of California. Madam Chairman, will the gentleman yield?

Mr. SHAW. I yield to the gentleman from California.

Mr. FAZIO of California. Madam Chairman, I would say to the gentleman from Florida, certainly this side of the aisle has been totally opposed to the Republican plans to slash the EITC and the budget.

Mr. SHAW. Reclaiming my time, Madam Chairman. I would advise the gentleman from California that his bill does not limit the three-year trial period the President characterized as a tax increase on the working poor by slashing EITC.

Madam Chairman, I yield 2 minutes to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT asked and was given permission to revise and extend his remarks.

Mr. TRAFICANT. Mr. FAZIO and I support the bill. While Congress has tried with good intentions, the Congress of the United States has failed. What began as a hand up is now a handout. Generation after generation are literally trapped at the bottom of the ladder without a good view of what America has to offer. The welfare system is not only broken, it is token. It has become a social placebo with a failing track record.

I ask all who are in here today to deny the following. I say the welfare system currently promotes dependency and destroys families, isolates children, and from an early age, stifles their ambition, no less.

There is one other element here, folks, in this formula. Our current welfare system allows hardworking Americans who pay for this failing train that keeps rolling down the track at us, hurting us.

This is not about Republican and Democrat. There should be more consensus today. This is about a welfare system that has failed us. We must submit that the Founders are rolling over in their graves looking at the great Constitution and saying, my God, how could this great instrument somehow be so misused, misapplied, that there are now Americans without hope, Americans without jobs, and Americans without ambition? Shame, Congress. Come together on this issue. Pass this bill.

Mr. SABO. Madam Chairman, I yield myself 30 seconds.

Madam Chairman, I would indicate to the gentleman from Florida [Mr. SHAW] that all the EITC changes in Castle-Tanner rely on compliance. None of them change the phase-out rates as proposed originally by the House Republican plan. Those are not
included in Castle-Tanner. Fortunately, you have pulled those provisions out of your bill but they are scheduled to reappear in your budget resolution in reconciliation bill No. 3, and then from further additional cuts in EITC even before what you did in this bill originally.

Madam Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. OLVER].

(Mr. OLVER asked and was given permission to revise and extend his remarks.)

Mr. OLVER. Madam Chairman, I thank the gentleman for yielding time to me.

Madam Chairman, along with every Member of this Chamber, I believe that the current welfare system needs to be reformed. Over the course of this debate, which has continued now for more than a year, each and every one of us has voted to end welfare as we know it. Some of us want to move people to work while protecting the well-being of our children. Others want to spend as much money as possible from the taxpayers to punish, unworkable, and threatens children. That is the crucial difference between the Republican bill and the bipartisan bill that we have before us today.

Madam Chairman, H.R. 3734, the Republican bill, offers little protection for poor children. H.R. 3734, the Republican bill, prohibits vouchers for children of parents who have reached the time limit on welfare but cannot find jobs. H.R. 3734 slashes food stamps, the ultimate social safety net, assuring the health and well-being of our children, our own poor children, will go hungry in a country whose farmers are so magnificently productive that they can feed half of the world.

H.R. 3734 ends the guarantee of child protection and child abuse services, and, as a result, it ends the guarantee of health coverage for millions of poor women and children. We all want to see welfare reformed. Madam Chairman, but we should not jeopardize the health and well-being of children who are really totally without responsibility for the conditions that they are forced to grow up in.

I urge a "no" vote on the Republican bill, Madam Chairman.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would invite the gentlewoman from Florida [Ms. CASTLE-TANNER] to read on page 7, subtitle B, the increase in the minimum income of the tax credit of the gentleman's bill. It provides and it has been scored that that is a $6 billion statement. The gentleman stands there and tells us that we are going to somehow put this into one piece. It is not in our bill, it is in the gentleman's bill.

It is a tax increase. It is the gentleman's problem. and he is going to have to deal with it. We took it out of our bill because we did not want a tax increase on the working poor. He left it in his bill because obviously he wanted to take $6 billion out of the pockets of working Americans.

Madam Chairman, I yield 2 minutes to the gentlewoman from Washington [Ms. DUNN].

Ms. DUNN of Washington, Madam Chairman, I thank the gentlewoman for yielding time to me.

Madam Chairman, Democrats have been arguing today that noncitizens are less likely to receive welfare than citizens, but the leading scholar in this area, whose name is George Borjas of the Kennedy School, says just the opposite.

We have a chart here that I would like Members to look at. These numbers are percentages of households receiving welfare programs. The first line says 'Aid to Families with Dependent Children,' our AFDC program. 4.4 percent of noncitizen households receive this kind of aid, as opposed to 2.9 percent of folks who are citizens of the United States, and the chart continues.

In short, Madam Chairman, I just want to say that there is simply no question that some Members are today on this side spreading misinformation. Welfare for noncitizens has gotten out of hand. We have an opportunity through this legislation to change that.

Madam Chairman, I would say, too, that America is a generous country. We welcome legal immigrants into this Nation and say that they are here because they want to take advantage of a nation of opportunity. But we can no longer ask our citizens who work for a living to support people who are not citizens of the United States.

Mr. SABO. Madam Chairman, I yield 1½ minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Madam Chairman, the Republican bill is weak on work. It does not provide the resources, according to CBO, that we want to say something, though, to my friend, the gentleman from Florida [Mr. SHAW], on the tax subject. Look, we forced you to drop your tax increases on the working poor. They were in your bill and you know it. We forced them out. Every bit of the EITC change in Castle-Tanner relates to compliance.

Mr. SHAW. Madam Chairman, I yield to the gentleman from Michigan.

Mr. LEVIN. Madam Chairman, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Florida.

Mr. SHAW. You forced it out, and where did it go? It went to your bill.

Mr. LEVIN. Madam Chairman, I take my time. The gentleman is 100 percent wrong. You had to drop the dollar amount of the amount of money people could earn and still be eligible for the EITC. You had changes in terms of calculation of Social Security and its impact on EITC. We do not change the substance of the EITC law as it affects the working poor.

We forced you not to do that, so do not use that sham argument. We say there should be compliance. We say the law should be followed. That is where all of our money is, and it is disgraceful that you do not have it in, and that you for months and months wanted to hit the working poor. Shame on you for using that argument.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume. I want to respond to my good friend, a very valued Member and a good friend of mine, and someone who has really worked hard, trying to work on welfare reform.

Madam Chairman, I can tell the gentleman from Michigan, he is wrong. He has the increase in his bill. We do not have an increase in our bill. The gentleman gets up there and says shame on us for having it in there and then taking it out. That is absolutely ridiculous.

Mr. LEVIN. Madam Chairman, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Michigan.

Madam Chairman, compliance is not an increase. Madam Chairman, Modification is. I would tell the gentleman, read section 1023 of your bill.

Mr. LEVIN. I have read it.

Mr. SHAW. Modification of Adjusted Gross Income Definition for the Earned Income Tax Credit. You take working poor out by a modification of the definition.

Mr. LEVIN. That is simply not true. Madam Chairman, I reserve the balance of my time.

Mr. POMEROY. Madam Chairman, I yield 2 minutes to the gentleman from North Dakota [Mr. POMEROY].

Mr. POMEROY. Madam Chairman, the plan of the majority to reform the welfare system is weak on work and tough on kids. In my comments, I will talk about the work requirement. We must reform the welfare system. This reform is in fact overdue. The heart of the reform has to be time-limiting benefits and instilling a tough work requirement. The Senate has given the majority's plan a strong agreement in the Chamber on that point. But the key distinction between the proposals before us this afternoon is that the bipartisan plan has a work requirement which will succeed and the majority's plan cannot.

This is a very complex issue. There is nothing all that tough about understanding what it takes to make a work requirement succeed. Individuals presently receiving welfare benefits and not in a workplace must have the training required to achieve vocational skills. Those who are employable and can stand on their own as constructive members in the workplace. Folks without jobs just will not be able to get jobs if they do not have job skills and employers. We cannot expect employers to hire folks that offer nothing in terms of what they need in the workplace.

The nonpartisan Congressional Budget Office has assessed the two plans on this critical point. They say the work requirement in the bipartisan plan can

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The nonpartisan Congressional Budget Office has assessed the two plans on this critical point. They say the work requirement in the bipartisan plan can
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succeed but the work requirement in the majority’s proposal falls $9 to $12 billion short of what it takes to make a work requirement succeed.

That is the choice. The bipartisan plan, which time-limits benefits and gets every recipient off welfare into the workplace as constructive members of our society, versus the majority’s proposal which, while it claims to have a work requirement, by the Congressional Budget Office’s own evaluation it falls short of what it takes to create a work requirement which has any chance of getting recipients off welfare rolls and into the workplace.

Vote “yes” on Castle-Tanner and no on the majority proposal.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Mrs. KENNEDY].

Mrs. KENNEDY. Madam Chairman, there are differing opinions on how to reform welfare. But one area that we all agree on is the need to improve our child support laws. In fact, this might be the single area where we have had consistent bipartisan cooperation.

However, the change that was inserted into the bill’s child support title that weakens assurances of fair child support awards.

The majority’s welfare bill now guts a provision in current law that requires States to review child support orders every 3 years for AFDC families.

I should first point out that this change will cost the Federal Government $63 million over the next 6 years. Child support paid on behalf of families on AFDC helps offset the cost of welfare. Therefore, regular updates in child support orders mean fewer dollars being spent on AFDC. The change in the bill prevents States from ensuring that custodial parents off the hook, while sticking Federal taxpayers with the bill.

I am also concerned this change in modifying child support orders might hurt families leaving AFDC. If we want families to leave welfare and become self-sufficient then we should ensure that they have the child support they are owed.

I urge my colleagues to think twice before watering down child support enforcement, while preaching getting tough on welfare. Let us agree that we need tough child support enforcement that says both parents should be involved in providing for their children.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. HAYES], a member of the Committee on Ways and Means.

[Mr. HAYES asked and was given permission to revise and extend his remarks.]

Mr. HAYES. Madam Chairman, it was the mid-1980’s, and I remember the day very well when as a student in a Louisiana public high school and part of a debate squad, we were talking about Lyndon Johnson’s effort at a Great Society with an alleged war on poverty. Three decades later, that same high school is in the midst of a war with drugs, teen pregnancy, and guns. Poverty has not changed. Over the course of that 30 years, America has spent $5 trillion, an amount ironically close to the total national debt, on a failed war on poverty.

So what happens to real veterans of real wars? Oh, I represent many of them. I represent a young man who was in a real war in Vietnam, who has got to find a way through his impaired health to get someone to drive him across miles to go to a real military installation to have a real druggist give him an honest, legitimate prescription.

Unfortunately, within my congressional district there are crack addicts that cannot be evicted from Federal public housing because their neighbors campaign to keep them out to prevent their own kids from being sold crack, and that person has a Federal welfare check delivered to their doorstep.

I represent a group of Americans who in that three decades now knows that they could work and work until May 7 of each year just to pay Government taxes. Then they get to earn money for their own family.

Within the course of that work they recognize that there is almost $200 billion a year, most of which is thrown away on the dole to families who put up Federal welfare handout. In 17 States, the equivalent of welfare for starting welfare recipients is above $10 an hour. In 40 States, including my Louisiana, a starting welfare recipient is above $8 an hour, which is better than in many counties a starting teacher or a starting police officer.

There are the kind of things where America looks and says: We don’t want to change welfare as you folks in Washington know it, we want to change welfare as we know it in our neighborhoods, where senior citizens are terrif ed to leave at night because the monies that are diverted in a failed system for three decades prevent our own safety, our own sanctity, and the educational future of our own children.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from Rhode Island [Mr. Kennedy].

Mr. KENNEDY of Rhode Island. Madam Chairman, do you not love all Americans? I am also concerned this change in modifying child support orders might hurt families leaving AFDC. If we want families to leave welfare and become self-sufficient then we should ensure that they have the child support they are owed.

I urge my colleagues to think twice before watering down child support enforcement, while preaching getting tough on welfare. Let us agree that we need tough child support enforcement that says both parents should be involved in providing for their children.

Mr. SHAW. Madam Chairman, I yield 2 minutes to the gentlewoman from Maryland [Ms. GILCHREST].

Ms. GILCHREST. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I think to a large extent the debate has covered most of the material on why it is important to change the welfare system as we know it today. I do not think there is one person in this Congress that would say the welfare system is working. It has perpetuated the paralysis of poverty far too long.

There are some minor disagreements about how we ought to move forward. But at least we are moving forward to look for a fair assessment, to provide a program so that people have a sense of opportunity for the wonders that this Nation has to offer.

This program that the gentleman from Florida [Mr. Shaw] is offering before this Congress does some amazing things. He discovers, in my judgment, the mystery of human initiative, and that is a sense of responsibility and a sense of dignity for all Americans.

This is a fair bill, it is fundamentally sound. It will offer opportunity for individuals whether they leave welfare now or may be on welfare in the future. Madam Chairman, I urge my colleagues to vote for Mr. Shaw’s bill.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from West Virginia [Mr. Obey].

Mr. OBEY. Madam Chairman, the existing welfare system is broken, it needs radical overhaul. There is no doubt about that. But in doing it, I ask
every Member of this House to please put the politics aside. Taxpayers are tired of people who will not work taking a bite out of their tax dollars. They want us to be tough, but they do not want us to be mean.

They do not want us to say to a woman who is cutoff because his company moved out of town or out of the country, "Tough luck, Charlie, you're on your own, baby." They do not want us to say to a sick or hungry kid, "Sorry, kid, God gave you the wrong set of parents. You're on your own." They do not want us to pass a political document that will never be enforceable by law, that is just designed to define the differences between Bill Clinton and Bob Dole one more time. They want us to work it out. They want us to get it done.

That is what Castle-Tanner does. It is a bipartisan package. It does work it out. The bill we have passed will never be vetoed, and a friend of mine in the legislature used to say, "You know, the problem with politics is that all too often it gives the poor and the rich the same amount of ice, but the poor get theirs in the wintertime."

That is the difference between the Castle-Tanner bill and the committee bill. Vote for Castle-Tanner. It is a tough, good welfare reform bill that gets the job done without being mean.

Mr. SHAW. Madam Chairman, I yield such time as he may consume to the gentleman from Minnesota [Mr. RASMSTAD].

(Mr. RASMSTAD asked and was given permission to revise and exped his remarks.)

Mr. RASMSTAD. I thank the gentleman for yielding me this time.

Madam Chairman, I rise in strong support of the Personal Responsibility and Work Opportunity Act.

Madam Chairman, in 1992, Presidential candidate Bill Clinton pledged to "end welfare as we know it." Today 4 years later, welfare recipients and taxpayers are still waiting for President Clinton to make good on his promise.

The President could keep his word by signing the welfare reform waiver proposals on his desk from Wisconsin and Minnesota, as well as the comprehensive Federal welfare reform bill before us today which would empower States to proceed with innovative changes.

To truly end welfare reform, we in this Congress took a bold step toward meeting the President halfway when we separated welfare reform from the Medicaid reform bill that had threatened to doom both reforms.

The time for action is long overdue. Our Nation's welfare system is in dire need of reform. America has spent $5.4 trillion on social welfare programs since the beginning of the "War on Poverty" in the 1960's. Yet, the poverty rate has not decreased and the number of families on welfare has skyrocketed from 1.9 million in 1970 to 5 million today. The sad history of welfare has trapped a generation of people who have become trapped in a cycle of dependency. Since 1993 alone, the number of single women who are heads of households in poverty has increased by 175,000 women.

Frustrated by inaction at the Federal level, individual States have moved forward with their own reform proposals. Minnesota and Wisconsin, for example, have put together comprehensive welfare reform plans to move welfare recipients from welfare to work. A Minnesota Department of Human Services pilot project, the Minnesota Family Investment Plan (MFIP)—has resulted in reduced caseloads for the Aid to Families with Dependent Children [AFDC] program in the seven counties in which it operates. Minnesota would like to expand MFIP throughout the State as well as implement a number of additional pioneering measures recently passed by the State legislature.

Wisconsin would like to implement "Wisconsin Works," the welfare plan praised by President Clinton during his May 18 Saturday radio address as a "sweeping welfare reform plan, one of [the] boldest yet attempted in America...We should get it done."

Unfortunately, since the President has twice vetoed welfare reform passed by Congress that would allow States to change the welfare system in ways which meet the needs of their residents, States must still go through an arduous special waiver process to enact their reform plans.

But the President has yet to approve the waiver requests of Minnesota and Wisconsin. Minnesota submitted its waiver requests last March 28. According to the Minnesota Department of Human Services, it is critical these waivers be approved before the end of this month. And while the President said he would make the final decision on the Wisconsin waiver request by mid-July, he has yet to do so. I remain hopeful the President has truly had a change of heart and will approve both States' requests.

It should be pointed out that the Clinton administration has granted several waivers to allow other States to implement similar proposals. But why should we approach this in a piecemeal, one-waiver-at-a-time fashion and continue to waste valuable time and money which could be better spent helping families and children escape the web of welfare dependency?

How much longer can we continue to wait for the President to "end welfare as we know it?" How much longer will the President defend the welfare status quo and deny people in need and American taxpayers the opportunity for true reform?

I believe the time is right to move beyond the piecemeal waiver process, put partisan politics aside and pass the comprehensive welfare reform legislation before us today.

Madam Chairman, it's time to change the failed welfare system's vicious cycle of dependency.

When this legislation is placed before the President again soon, we will find out if he has, indeed, really changed his position or if he will continue to fight to preserve the status quo. I hope the President will take the opportunity to support the Minnesota and Wisconsin plans—as well as proposals for the 48 other States—and sign the bill. Without national welfare reform for all 50 States, the cycle of poverty is destined to continue indefinitely.

Mr. SHAW. Madam Chairman, I yield myself 5 minutes.

(Mr. SHAW asked and was given permission to revise and extend his remarks.)

Mr. SHAW. Madam Chairman, today I think is a defining day in the history of this Congress. We are going straight at probably one of the biggest problems that we have in this country and something that I can only describe as a national disgrace.

I respect every Member of this body, and I respect the great diversity all across this country. I respect the Governors of this country, and I respect the 50 States.

But I would say to all of my colleagues, let us recognize that we have a failed welfare system in this country.

I do not mean to say that there is not a real systemic problem at one time or another. Every sitting President and every Congress who has been here through the 104th Congress has at one time voted against the existing welfare system.

What brings us together is that we all agree that the existing welfare system is not working. We all agree that we need to do something about welfare reform. We have got stagnation of population. We have tremendous problems out there that have been caused by a welfare system that the Congress procrastinated with, did nothing about, did not change. Now we are bringing forth change.

This year there was a Democrat substitute which took the vote of every Member on the minority side, and then there was a Republican bill that prevailed and went on to the President, and he vetoed it. It went to the President again and he vetoed it.

We are at a point where the President today is another chance, another chance to deliver upon his promise to change welfare as we know it today.

That is tremendously important. Those of you who vote for the Castle-Tanner substitute which will be put forth by Mr. Gephardt at a later time today, you are saying you will not have faith in the States and you are willing to send the programs back to the States and let them run it, and you are going to give them great latitude in designing it.

I have great respect for the authors of that bill and what is in that bill. But can we do better? Yes, we can do better. We can do better by passing the bill that the Republicans have put forth, that has come to us from the Committee on Ways and Means.

Why is that a better bill? One, it does not have the same tax credit. I would like to read a provision from the Executive Office of the President in talking about the Republican bill when the Republicans were cutting EITC.

He says the bill would still raise taxes on millions of working families and move them further away from the American dream. This is a letter written on July 16 to the gentleman from New York [Mr. Solomon]. At a later time I may put it into the RECORD.

Now, when is a tax increase not a tax increase? To hear some of the Members come to the floor, they say it is not a tax increase when it is in the Democrat bill, but it is when it is in the Republican bill.
Mr. Chairman, we took it out. We were criticized for it. We went back and looked at it and said, “You are right,” and we took it out and we are not going to put it back in. But it is in the substitute, in the one we are going to be asked to vote on later this evening.

That is an important distinction for many of the Members on the Democrat side of the aisle. I respect that. I respect it so much that we took it out of our bill.

What else have we done? The President said that Medicaid was a poison pill. We took it out of our bill.

This is not an exercise in politics. This is a rescue mission by the Members of Congress to smash a corrupt system that has led to poverty across this country, has perpetuated it, and led to stagnation of people, an unforgivable sin, a stagnation of people within our inner cities all across this country who are paid to do nothing with there lives, paid not to get married, paid not to work, paid to have children, who themselves turn around and go into the welfare system. This is a rescue mission. I respect every Member for wanting to change that system, but I would say that the best way to go is with the Republican bill. Vote against the substitute that will be offered by Mr. GEPHARDT.

If you truly believe that noncitizens who are growing on our welfare rolls at a tremendous speed, if you believe they should still receive welfare, fine, vote for the Gephardt substitute. If you believe that welfare should truly not be time-limited, fine, vote for the substitute. But vote for something. That is what is very important.

This I think is an historic moment. I think that the President will end up signing the bill that we will send him. It makes a lot of sense. It is a good bill.

Mr. LEVIN. Madam Chairman, I yield myself 10 seconds.

To the gentleman from Florida [Mr. SHAW], what we force Republicans to take out in the EITC change relating to rates, Democrats do not put back in period. That is a fib.

Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. BECERRA].

(Mr. BECERRA asked and was given permission to revise and extend his remarks.)

Mr. BECERRA. Madam Chairman, I thank the gentleman for yielding me time.

Let me begin by trying to dispel some myths and correct something that the chairman of the Subcommittee on Human Resources of the Committee on Ways and Means has just said. Legal immigrants are not over utilizing welfare, AFDC, for example. In fact, they take it at a lower rate than does the citizen population.

What we find is a skew in the numbers because of the refugee population, which by definition comes without anything because they are escaping persecution. We have in the law a requirement that we try to aid them as they try to transition from a place they had to escape without bringing anything with them.

We hear people say that we have to deny immigrants, legal immigrants, not undocumented, access to services for which they pay with their taxes, because in every respect they do what a citizen does. They must contribute in their taxes.

We are saying here in this bill, “Let’s deny them services because they are contributing.” Absolutely not true. A respected, well-known research center, conservative research center which the Republican majority often uses, the Cato Institute, told us immigrants contribute about $285 billion to the economy, pay $70 billion in taxes, and net, in other words, in excess of $65 billion more than they use in services from the government.

Now, why do we hear all this talk? Because they cannot vote, they cannot hurt people who attack them, and they are an easy target, especially when we call them illegal and blame parents who were immigrants, on behalf of the over 1 million active and now veteran, legal immigrants who served this country in time of war, and on behalf of the two Congressional Medal of Honor winners who served this country in time of war, and on behalf of the two Congressional Medal of Honor winners who served this country in time of war, and on behalf of the two Congressional Medal of Honor winners who served this country in time of war, and on behalf of the two Congressional Medal of Honor winners who served this country in time of war.

The proof is in the pudding, and we should not attack a group just because it happens to be politically tenable to go after them, because they cannot go after us. It is unfortunate it is done. We have some decent debate on this and get meaningful welfare reform, but let us not attack folks trying to make this country better than what it is.

Mr. SHAW. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I yield the balance of my time back to a gentleman from Ohio [Mr. KASICH] and ask unanimous consent that he be allowed to control the remainder of the time.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. KASICH. Madam Chairman, I yield 2 minutes to the very distinguished gentleman from Florida [Mr. STEARNS].

(Mr. STEARNS asked and was given permission to revise and extend his remarks.)

Mr. STEARNS. Madam Chairman, I thank the distinguished chairman for yielding me time.

Mr. Chairman, Margaret Thatcher said and the philosopher Voltaire said, work banishes those three great evils: Boredom, vice, and poverty.” That came from the great philosopher, Voltaire. There is nothing wrong with work.

Our plan increases funding for welfare. Now, we are going to hear on that bill how there are huge cuts that affect children, huge cuts that affect the underprivileged. But as Margaret Thatcher said, does the citizen population.

Yet, even notwithstanding that fact, if we look at this graph, we will see while spending welfare reform plan. Clearly when we hear the President say there is not enough money, there is going to be plenty, ample amounts of money for their program.

I Yield to the distinguished gentleman from New York [Mrs. MALONEY].

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Madam Chairman, the Republican bill is so often removed from reality, it punishes children and penalizes working families. The bill would hurt millions of innocent children by making deep cuts in benefits, especially during economic downturns, by limiting the contingency fund to only $2 billion. The Tanner-Castle substitute has an uncapped contingency fund for use during these troubling times.

When we completely eliminate the Federal guarantee, those of us who have worked in city and State legislatures know that given the financial pressures, the poor will often fall through the cracks.

This Republican bill just tells defenseless children, tough luck. This bill will not put people to work. CBO says that it needs $16 billion more for the pains they do for refugees. It will put families with children out on the street. That is not welfare reform, it is a blueprint for disaster.

Say yes to welfare reform, and no to this cruel and senseless bill.
In reforming the welfare system, our focus must be on moving people into real jobs. Unfortunately, this bill will not move welfare recipients into the work force. It does not create a real incentive for the States to move people off welfare and on to jobs, and it does not improve access to education and training so that people have the skills they need to get a job.

One way simply, this bill imposes time limits without giving recipients the skills and education they need to find jobs before the time limits kick in. That is cruel and unfair. Real welfare reform should move recipients off the dole and on to jobs, not off the dole and on to the dole.

The other major flaws in the Republican bill: The legislation prohibits Federal assistance from going to children if their parents reach the bill's time limit. That is wrong. We must not punish children for the failures of their parents.

By contrast, the bipartisan Castle-Tanner bill requires States to provide help to children if their parents reach the time limit. Castle-Tanner also preserves the nutritional safety net for our children instead of giving States the option to block grant food stamps. The Republican bill is also bad for New York. The Republican bill shifts Medicaid costs from the Federal Government to State and local governments, and we are going to lose $1.8 billion in Medicaid costs.
Mr. Kolbe. Madam Chairman, I yield 2 minutes to the distinguished gentleman from the State of Arizona [Mr. Kolbe].

Mr. Kolbe. Madam Chairman, I thank the gentleman for yielding me this time.

Madame Chairman, we are able to come to the floor today and offer the American people a meaningful welfare reform proposal because of the work done by my colleagues Representatives Castle and Tanner. I have remained committed to changing the welfare system as we know it and worked with Representatives Castle and Tanner to continue the welfare debate. Their efforts continued the discussions between the majority and minority in the House, the administration, and the Governor's office about the business of developing children.

Mr. Kasich. Madam Chairman, I yield 2 minutes to the distinguished gentleman from the State of Connecticut [Mr. Shays].

Mr. Shays. Madam Chairman, how much time is remaining on both sides?

The Chairman. 2 minutes to the gentlewoman from Connecticut [Ms. DeLauro], 2 minutes to the gentleman from the State of Connecticut [Mr. Shays], and the gentleman from Ohio [Mr. Kasich] has 7 minutes remaining.

Mr. Shays. Madam Chairman, I yield 2 minutes to the gentlewoman from Connecticut [Ms. DeLauro].

Ms. DeLauro. Madam Chairman, today is a sad day for those of us who support real welfare reform. The Republican bill fails to meet the goal of moving people from the welfare dole to the working rolls. It fails to protect children from the ravages of stark poverty. This bill is tough on kids and weak on work.

The American people want welfare reform that replaces dependency with the dignity that is earned from work and living. At the same time the American people want us to protect innocent children who have no means to take care of themselves, and this bill moves in the opposite direction on both counts.

The Republicans' Congressional Budget Office says that the Gingrich welfare plan underfunds the work program by $10 billion, by $10 billion, making it impossible to take people from welfare to work. It builds in the failure of getting people to work.

This bill's food stamp block grant plan more than 1 million children in this country could be forced into poverty. One million. It is outrageous. This bill is an unforgivable assault on our Nation's values and what we are about.

Fortunately, today, we have a viable and a fair substitute, a bipartisan plan, Tanner-Castle. I repeat bipartisan, that puts people to work without throwing more kids into poverty. It has strong work requirements and the needed time limits. It reforms AFDC and ends the cycle of dependency for welfare recipients and their families. It emphasizes the dignity of work over the punishment of children.

We have precedent here. Last year the Republican leadership tried to drop 2 million children from the school lunch program. Now they are targeting kids again. It is wrong, and I call on my colleagues to reject it.

We must not miss the opportunity to craft a historic moment to deliver real welfare reform that this country needs. Let us stand together for a bipartisan commonsense approach. Reject this failed agenda and support Tanner-Castle.

Mr. Kasich. Madam Chairman, I yield 2 minutes to the distinguished gentleman from the State of Connecticut [Mr. Shays], a member of the Committee on the Budget.

Mr. Shays. Madam Chairman, I thank my colleague for yielding me this time.

Madame Chairman, this new Republican majority has three primary objectives: One is to balance our Federal
budget and to get our financial house in order; the second is to save our trust funds for future generations; and the third, and that is the one most involved with this effort today, we are trying to transform our caretaking social and corporate welfare state into a working opportunity society.

There is nothing caring about our present welfare system. When I see my own communities, I see young children having babies, I see young children selling drugs, I see young children killing each other. In my communities there is nothing humane or caring about this system. I support this bill. I see 24-year-olds who have never had a job, not because a job does not exist, because maybe it is a dead-end job, in their view. If I had ever said that to my dad, my dad would have doubled the amount of time I took that job.

And 50-year-old grandparents. We basically have three generations of people on welfare. We have helped subsidize and create the very system we are trying to eliminate.

Madam Chairman, I believe that child care and job training should be designed by the States, not the Federal Government. I support job training. I support job training being designed by local governments, not the Federal Government. I want to move power and money and influence out of this place and back to local communities, who know how to spend the money.

Madam Chairman, I want to add to what the gentleman from Arizona [Mr. KOLBE] said: $441 billion for welfare up to $578 billion, an increase of $137 billion. Mr. KOLBE said: $441 billion for welfare up to $578 billion, an increase of $137 billion. Hardly a cut. We need to change to $578 billion, an increase of $137 billion. Mr. KOLBE said: $441 billion for welfare up to $578 billion, an increase of $137 billion.Why? It does not take care of the hungry. It does not take care of children.

I would conclude by saying that in the final analysis, it is not what we do for our children but what we have taught them to do for themselves that will help make them be successful human beings. We need to teach them how to grow the seeds, how to grow the seeds, not just hand them the food.

"This is a caring bill, and the sooner we pass it, the better."

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentleman from Michigan [Mr. DINGELL].

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Madam Chairman, we must reform welfare. But as we work to reform welfare it is important to remember that we do not need to provide welfare assistance solely for altruistic reasons.

We provide welfare assistance and financial assistance to those in need because it is in the best interest of our society to do so as we fit them for return to work and to membership in this society and in the productive units of this society.

□ 1300

Madam Chairman, work works. One of the highest priorities must be giving States and their residents the tools to find and keep good-paying jobs. No Federal, State, or local government funds should be given to individuals without expecting something from those individuals in return. The purpose of welfare is to give financial lift to help people out of difficult times. Yet it must also provide them with the tools, the true education to support their families and to become productive parts of our work force.

The Castle-Tanner bipartisan reform welfare program, of which I am proud cosponsor, provides the States with tools to reduce welfare rolls through education and training. To recipients who support this proposal for this reason, because it is the only version of welfare reform being considered today which will help Michiganders off welfare by providing the skills to achieve good jobs.

Madam Chairman, we must care for the kids. Twenty-one percent of our children through no fault of their own are living in poverty. The Castle-Tanner bipartisan welfare reform will improve our welfare system so that abused children are protected. Neglected children get care, and hungry children will be fed. It will provide families with the support they need to care for their children while they move to become useful working components of our society. Without a guarantee for our children for food, shelter, and medical care, we will have a failure in this bill.

The Republican bill fails by comparison. It does not take care of children. It does not take care of the hungry. It does not provide means for getting people back to work.

I urge support of Castle-Tanner.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Madam Chairman, I thank the gentleman for yielding the time.

I think that I really know America. I know an America that rose to help the victims in Oklahoma City. I know an America that rushed to the Midwest when floods overtook that community. I know an America that extended themselves to help those in hurricane-riden Florida. And I know an America who stood on June 1, 100,000 strong and stood for our children.

The Castle-Tanner bill is what we call real welfare reform. It fares well for Americans. We do not need a bill that cuts Americans who need some $68 billion in training. We need a bill that has Americans who work hard and pay taxes joining us in saying that is fair. If you have a cutoff, then require the States to provide a bridge for those who may not yet be able to be independent after a 5- or 2-year cutoff. Then cut Medicaid, allow families with children to still carry Medicaid. Excess shelter provision is needed, and the Castle-Tanner has that.

□ 1300

Madam Chairman, work works. One of the highest priorities must be giving States and their residents the tools to find and keep good-paying jobs.
Mr. NEAL of Massachusetts. Madam Chairman, there is a great verse from the old folksong that goes like this: When will we ever learn?

Two years ago, one side in this institution learned that they would be unsuccessful in imposing their will on the other side when it came to the health care debate. And for the better part of 18 months, the majority in this House has failed to successfully pass welfare reform.

The truth is, today, and Members will never hear them give any credit to this gentleman, but Bill Clinton for ever changed the culture of the welfare debate in this country when he said we would end welfare as we currently know it.

There is but one piece of legislation in front of this House today that commands the respect of Democrats and Republicans alike. That is the Castle-Tanner legislation. That is legislation based upon the hard-won experience of the former Governor of Delaware and the distinguished gentleman from Tennessee, because they worked diligently to come up with a piece of legislation that Republicans and Democrats alike could support.

No Member of this institution supports or defends the status quo when it comes to the current welfare system in America. We reject the notion that one out of three children being born out of wedlock in the long run ensures the social viability of this Nation. But as Al Smith used to say, let us take a look at the facts.

Members will never hear it from the majority in this House, but today there are 1.3 million fewer welfare recipients across this country than we were granted 67 experiments in 40 States. Seventy-five percent of the welfare recipients in this country today are in work programs across this Nation.

But let us not lose sight of this fact. I reject the suggestion of the previous speaker, that is the Republican side, when he said that this debate was not about children. There are 12.8 million AFDC recipients in America today; 8.8 million of those AFDC recipients are children.

Despite the mistakes of parents who may well have been involved in antisocial behavior or, through no fault of their own, receiving welfare benefits, we ask ourselves today, what do we do about those 8.8 million children? Is there anybody of the Jewish faith or the Catholic faith or the Protestant faith or other faiths in this institution that would reject the instruction of those religious creeds and say that we have an obligation to those children to move them through this difficult time in their lives? Their only mistake was to be born into circumstances over which they had no control.

But what is ironic about much of this debate today is that we have an opportunity in this Chamber to reject the status quo, to do it as Democrats and Republicans alike and, indeed, every-body would acknowledge how far the Democratic Party has moved during the last 18 months on this issue.

Do my colleagues know what else is extraordinary? As the Democratic Party has moved to the center in this debate, the Republican Party has moved more to the right. The goal of welfare reform has been elusive because there is an element on the other side that does not want to change in policy. They want a campaign issue for November. And the nominee of the Republican Party really had very little to show. What did he do? He signed a welfare bill that he knew that the President of the United States would sign.

We have a chance in the next hours of this day to create a welfare bill that Republicans and Democrats can go home and point to as a tangible achievement and to remind the American people that the system really does work when there is an element of goodwill that governs our lives.

The choice is relatively simple today. Will we vote for a piece of legislation that protects 8.8 million American children, or will we be caught up in a political issue far greater than the sum of its parts? If we are to sign the legislation, I do want to say that when we sign it, we have to have a pretty positive substitute. Does not go far enough; it is too much, too much give, too much compromise, too much of the old system. But the compromise legislation and the entitlement. It has work requirements. It has some form of time limits.

And for those who can never go to work because they are just not capable, we are going to take care of them, but for the vast majority of Americans who want to work, we are going to fundamentally change the system.

Can my colleagues imagine about this Congress, as my colleagues know, the President did make a campaign speech a couple years ago saying he was going to change welfare as we know it. He has vetoed two bills, third time is the charm, but he vetoed the two bills that were sent to him since this Republican Congress came to Congress.

Now, this is not braggadocio or partisanship. Frankly, it is the facts. The facts are the reason why we are debating fundamental welfare reform is because this Congress kept its word. The reason why people who go to work are going to feel better about the newly created welfare program is because we kept our word, and it is significant. The substitute that is being offered is a pretty positive substitute. Does not go far enough: it is too much, too much give, too much compromise, too much of the old system. But the compromise legislation and the entitlement. It has work requirements. It has some form of time limits.

Can my colleagues imagine, the Republicans and Democrats today in the House of Representatives are debating the most fundamental change in welfare in the last 20 years? We are doing it because we want to help those people who are poor, we want to help those people who are disadvantaged get to work, and at the same time we are sticking up for the taxpayers in this country who go to work, but the compromise legislation and the entitlement. It has work requirements. It has some form of time limits.

I think this is a win-win today. I would defeat the substitute, I would vote for the legislation that will pass as it is now, and I think at the end of the day the President signs it and this Congress will go down in history as the Congress that stood up for working people in America.
Mr. NADLER. Madam Chairman, I rise in strong opposition to H.R. 3734, the Republican Welfare Reform Act being considered today on the House floor.

This welfare reform bill is a direct assault on America's children, and on America's future. Most of the provisions of this bill would have the most severe impact on low-income children. This bill would cut $61.1 billion from vital family survival programs, denying benefits to millions of children who are in desperate need.

This bill eliminates AFDC as an entitlement program, and creates a block grant to the States, denying the assurance of basic necessities to poor families and children when they are in need.

The child care assistance provided in this bill is insufficient. How do the authors of this legislation expect low-income families to get off welfare if they can't even afford a safe, decent, place for their children to be cared for while they work? According to the CBO, this bill falls $800 million short of providing child care assistance to individuals required to work.

Furthermore, the CBO has estimated that this bill would fall $12.9 billion short of the funding necessary to meet the work program requirements in the bill. If we are to move families into earning jobs and providing financial independence, we must—before we remove the vital safety net—provide the training necessary to perform jobs that will provide financial independence.

Madam Chairman, the magnitude of cuts to and elimination of programs that provide children and families important protections is unparallelled. This bill would put in jeopardy the assurance of emergency assistance for the very poor, but it also reduces drastically funding for child nutrition programs and food stamps. More than half of all food stamp recipients are children, and this bill slashes food stamp spending by $28.4 billion over 6 years, putting many children in jeopardy of not receiving the nutrition they need.

Madam Chairman, this bill is counter to the so-called family values about which there has been much discussion during the 104th Congress. If this really were a bill to promote and foster independence, it would focus on creating jobs and providing training, educational opportunities, and child care assistance. But, instead, this legislation's focus is on removing basic assistance from children in dire need.

Madam Chairman, I urge my colleagues to vote against this very damaging bill.

Mr. SMITH of New Jersey. Madam Chairman, I would like to commend Mr. Shaw and Mr. Archer, and the other members of their respective committees, for once again forging legislation which will truly end welfare as we know it.

Although we had previously passed welfare reform legislation on two separate occasions, Mr. Clinton in failing to keep his promise to the American people to reform the welfare system, has repeatedly vetoed our welfare reform proposals. This bill, if passed and presented to the President, he will sign the bill this time, if for no other reason than it will be politically expedient for him to do so.

As you are aware Madam Chairman, this welfare proposal includes a general rule which prohibits States from providing cash assistance under the family assistance block grant to a child born to a recipient of cash welfare benefits to or who received cash benefits anytime during the pregnancy. This has been referred to as the "family cap" provision. However, the bill does permit States to opt out of this prohibition if a State passes legislation specifically exempting the State program funded under the family assistance block grant from this application of the prohibition. I worked hard for this relief option and I am hopeful that most States will utilize it.

For those States, however, that do not opt out, Madam Chairman, and in particular for the children of these States, I am pleased that the act includes my amendment that permits States to provide vouchers for children born to families that receive cash welfare without having generally to have this amendment included in our original welfare reform bill (H.R. 1214 and H.R. 4), where it was passed overwhelmingly during consideration of that bill—352 to 80.

I admit the original family cap-child exclusion had surface appeal to many Americans who are fed up with people being on the dole. Americans want the abuse of the system to end.

However, the voucher-exemption provision to the family cap will help the weakest and most vulnerable people in our society—children. I am sure everyone agrees that we must not punish children for the sins of their parents. My amendment currently included in this legislation enables us to accomplish the goal of the family cap provision—i.e., discouraging out-of-wedlock pregnancies—without driving children further into poverty or forcing their mothers to have an abortion. My provision maintains the restriction on cash benefits, but allows vouchers to be used to pay for food, clothing, child care, and goods and services specified by the State as suitable for the care of the child involved.

This means that State's will be able to provide for the most essential needs of the children: clothing, shoes, diapers, powders, bedding, laundry detergents, and travel to the doctor.

Over the years numerous studies have shown that money—or more precisely the lack of it—heavily influences a woman's decision to abort her child. Without my amendment, we would be saying to mothers, "the State will not help you feed your child, but we will—as they do in many States—pay for you to destroy your child."

A major study by the Alan Guttmacher Institute, a research organization associated with Planned Parenthood, which performs or refers for 25% of all abortions, found that 68 percent of women having abortions said they did so because "they could not afford to have a child." Among the total sample, this was the most important reason for the abortion; no other factor. was cited more frequently as most important.

The voucher-exemption provision permits states to provide compassionate care for children—care which offers help to women who do not now have a child, or who may otherwise feel trapped by a State program that limits their ability to care for another child.

Mr. PORTMAN. Madam Chairman, I rise in support of real welfare reform—something that is long overdue.

The current system has more often harmed the very people it was designed to help.

Madam Chairman, the welfare reform issue has been thoroughly and, I believe, thoughtfully studied and debated by this Congress. I am hopeful that the third time this session that this Congress will pass a welfare reform bill and send it to the President.

This new proposal is a fundamental change in the direction of our welfare system. It is the product of many, many hours of hearings and many sensitive compromises. We are not, as some might have you believe, turning our backs on welfare recipients, nor should we. This bill continues to protect the children that are the most vulnerable people affected by our broken welfare system. It will continue to protect and to strengthen the role of families. But, it also protects our taxpayers. We're telling our taxpayers that, for now on, welfare will be a helping hand, not a handout.

The new plan contains the major provisions I have worked for—work requirements, flexibility, and choice. I urge my colleagues to support this bill. I think this bill is long overdue and urge the President to sign it.

Ms. JACKSON-LEE of Texas. Madam Chairman, I rise today to speak out against a great injustice—an injustice that is being committed against our Nation's children—defenseless, nonvoting, children, I am referring to in the Republican proposal for block grants in this country for the first time in 60 years and will push millions more children into poverty.

This partisan bill is anti-family and anti-child. The Republican bill continues to be weak on work and hard on families. Without adequate funding for education, training, child care and employment, most of our Nation's poor will be unable to avoid or escape the welfare trap.

Even before the adoption of amendments increasing work in committee, the Congressional Budget Office (CBO) estimated that the Republican proposal is some $9 billion short of what would be needed in fiscal years 1999 through 2002 to provide adequate money for work programs. Thus, the bill, if adopted, will result in this country for the first time in 60 years and will push millions more children into poverty.

I am also concerned about block grants in the bill which would eliminate any assurance of Federal funding for the prevention of child abuse. Child protection will continue across the Nation are overwhelmed by the crisis among families and their children. Federal, State and local efforts to prevent abuse have done little
to alleviate the problem. In its April, 1995 report on child abuse and neglect fatalities, the U.S. Advisory Board on Child Abuse and Neglect reported that almost 2,000 infants and young children die from abuse and neglect at the hands of parents and caretakers each year. The vast majority of these children were under the age of 1. It is critically important that child protection agencies increase their efforts to help children earlier in their lives. This bill does not go far enough to protect the Nation's children.

Similarly, the proposed cuts in the Summer Food Program will seriously jeopardize the program's continued viability—particularly among the health and wellbeing of the 2 million low-income children who rely on the program.

More children will be hurt by the bill's denial of benefits to legal immigrants. The Republican bill would cut benefits for immigrants by about $19 billion and only 6 percent of these savings would come from denying benefits to illegal immigrants. Legally resident immigrants would be denied aid provided under major programs such as SSI, Medicaid and food stamps. They would also be denied assistance under smaller programs such as meals-on-wheels to the homebound elderly and prenatal care for pregnant women. Under this bill, nearly half a million current elderly and disabled beneficiaries who would be eligible for Medicaid under current law would be denied it under this legislation. Most of these children are likely to have no other source of health insurance. I cannot believe we would pass legislation that would result in even one more child being denied health care that could prevent disease and illness.

This bill also changes the guidelines under which nonimmigrant children qualify for benefits under the SSI program. As a result, the Centers for Medicare and Medicaid (CM) in 2002, some 350,000 low-income disabled children who would qualify for Medicaid under current law would be denied it under this legislation. Most of these children are likely to have no other source of health insurance. I cannot believe we would pass legislation that would result in even one more child being denied health care that could prevent disease and illness.

Mandated Chairman, mandatory welfare-to-work programs can get parents off welfare and into jobs, but only if the program is well designed and is given the resources to be successful. The GOP bill is punitive and wrong-headed. It will not put people to work, it will put parents to welfare. By making the welfare system move people away from dependency toward self-sufficiency, facilitating the transition off welfare requires job training, guaranteed child care and health insurance at an affordable price.

We cannot expect to reduce our welfare rolls if we do not provide the women of this Nation the opportunity to better themselves and their families through job training and education, if we do not provide them with good quality child care and most importantly if we do not provide them with a job. We cannot expect to reduce the safety net that poor children and their families rely on in times of need. We must not allow the safety net to be shredded. We must keep our promises to the children of this Nation. We must ensure that in times of need they receive the health care, food, and general services they need to survive. I urge my colleagues to oppose this dangerous legislation and to live up to our moral responsibility to help the poor help themselves. Therefore, I support the Cas- tile-Tanner welfare reform legislation which provides over $4 billion of new money and fairly moves people from welfare to work.

Mr. BUYER. Madam Chairman, in passing real welfare reform, thus ending welfare as millions know it, Congress is giving more hope, more opportunity, and more responsibility to families across America.

Our current welfare system destroys lives by creating permanent dependency, increasing poverty, dependence, hopelessness—repeated generation after generation in the same families. Some people are saddened that President Clinton vetoed real welfare reform not once but twice. I am more than saddened—I am angry. By keeping in place the same failed welfare policies of the past, the President has reneged on the American Dream and denied the American Dream to millions of families. This is wrong. Government at the very least should not continue programs that hurt families and especially children. Welfare should be a helping hand in times of trouble, not a hand-out that becomes a way of life. I urge the President to not offer his veto a third time, but to provide his signature for the first time.

The current welfare system subsidizes illegitimacy, destroys families, and promotes waste, fraud, and abuse. It is not a morally healthy environment when you have 12-year-olds having babies, 15-year-olds killing each other, 17-year-olds dying of AIDS and 18-year-olds thinking about jail rather than college. It is not read. Welfare as we now know it is a system that keeps over a third of poor Americans locked in a seemingly endless cycle of destitution that has not stemmed a steady and growing epidemic of people living in poverty—145 percent of Americans in 1994. The President's welfare reform should not be centered around cost—although the costs have been enormous over the years—but rather about principles such as purpose, dignity, and hope. Currently welfare consists of 80 Federal programs which provide cash payments, food, housing, and medical benefits. When created, it was thought that providing these handouts would allow individuals time in which to make the necessary changes in their lives to become a productive and self-sufficient member of society. It is important to note that among industrialized nations at the start of this decade, the U.S. was last in helping the worst off, in schools, the most abortions, the highest infant mortality, the most illegitimacy, the most one-parent families, the most children in jail, and the most children on government aid.

Many of our successes in fighting welfare have been in communities and neighborhood. There are a number of alternatives to Washington bureaucracy. Habitat for Humanity is one such example. While the Department of Housing and Urban Development [HUD] requires absolutely nothing from tenants, Habitat requires recipients to learn the responsibility of home ownership and requires them to build a home for someone else before they help build their own home. One works to foster responsibility while the other fosters only more dependence. HUD requires only taxpayer dollars while Habitat for Humanity requires hard work and commitment from the individual, the family and community volunteers and donations. One works, the other does not work.

The 104th Congress has passed two dramatic welfare reform plans, only to see them end at the desk of President Clinton and his veto pen. The overwhelming messages of this bill are compassion, work, and responsibility. Our welfare reform plan includes:

Deadbeat dads: This bill assures that children receive the support necessary to establish State tracking procedures, promoting automation of child support procedures in every State, takes measures to establish paternity and, toughens child support collections.

Work requirements: In 1979, 14 percent of welfare beneficiaries were working at paid jobs. By 1990, the number had dropped by one-half to 7 percent. Today, fewer than 7 percent of AFDC recipients work. Approximately 4.7 million families currently are on AFDC and over 90 percent will spend more than 2 years on welfare, and 77 percent will spend more than 5 years on welfare. This bill provides tough work requirements and enforce those work requirements. Able-bodied food stamp recipients between the age of 18 and 50 years with no dependents are required to either work 20 hours per week in a job or participate in a State work or training program within 120 days for receipt of benefits. It also gives incentives to reward States who are successful in moving families off welfare and into work. Work offers the best opportunity for long-term prosperity.

Congress also worked with the Nation's Governors to assure single parents will be able to balance work with caring for their children. There are a number of alternatives to making the necessary changes in their lives to become a productive and self-sufficient member of society. It is important to note that among industrialized nations at the start of this decade, the U.S. was last in helping the worst off, in schools, the most abortions, the highest infant mortality, the most illegitimacy, the most one-parent families, the most children in jail, and the most children on government aid.

Many of our successes in fighting welfare have been in communities and neighborhood. There are a number of alternatives to Washington bureaucracy. Habitat for Humanity is one such example. While the Department of Housing and Urban Development [HUD] requires absolutely nothing from tenants, Habitat requires recipients to learn the responsibility of home ownership and requires them to build a home for someone else before they help build their own home. One works to foster responsibility while the other fosters only more dependence. HUD requires only taxpayer dollars while Habitat for Humanity requires hard work and commitment from the individual, the family and community volunteers and donations. One works, the other does not work.

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Child care: This bill provides for child care, allowing parents to receive proper training and education for their children.

Child nutrition: Child nutrition programs are streamlined to reduce costs without making cuts in school lunch, school breakfast or WIC programs.

Food stamp program: Food stamps remain a Federal program. But it gives able-bodied single adults to spend at least 20 hours a week in work-related activity or lose food-stamp benefits. In addition, it allows States to use one set of eligibility rules for families seeking cash welfare and food stamps.

Supplemental security income: Denies SSI to noncitizens. Requires temporary, food stamps for noncitizens to become productive members of society. Unfortu- nately, many come to the United States, never become U.S. citizens, and receive as- sistance from taxpayers. This bill ends, 1 year after enactment, Medicaid and food stamps for most noncitizens now on the welfare rolls until they become citizens.

This welfare reform plan is the first step to allow millions an opportunity at the American
Dream. Washington has finally come to the realization what our States and local communities have long known that dollars alone won’t solve this problem.

In changing welfare we must also change people’s habits. If beneficiaries believe, as many currently do, that all they need to do is sign up for benefits and wait for the check, then they have no incentive to find work. In contrast, if able-bodied individuals know they only have 2 years to find a job, they will have to change their behavior and seek training that will lead to a job. By passing this bill we are extending our hand and offering real assistance, not just a handout but an opportunity for a better life for those who choose to make it out of a system which has trapped adults and children for the past three decades.

This welfare reform bill moves toward individual responsibility, work ethic, learning, and commitment. It allows individuals in their own communities to reach out and help their neighbors. It helps children, encourages families to stay in the workforce, and helps to strengthen America’s moral fiber. It returns the program to its original intent—a temporary helping hand for those most in need. In the end, it provides opportunities that do not currently exist for welfare beneficiaries to seek the American Dream with a sense of purpose, discipline, and hope.

Mr. COYNE. Madam Chairman, in 1935 the Social Security Act became law. It established a commitment by the Federal Government to provide a guaranteed safety net for people who need assistance in making ends meet. The Republican welfare reform legislation currently being considered by the House of Representatives is an attempt to ensure that they will spend these dollars on the vagaries of State politics. Further, this bill makes substantial cuts in the earned income tax credit (EITC), puts millions of children in jeopardy of losing their access to health care, and gives the States millions of Federal tax-payer dollars and provides inadequate Federal oversight to ensure that they will spend those funds wisely. For these reasons, I cannot support this legislation.

The bill before us today will end the Federal guarantee of economic assistance for families in need. This means that individual States will determine who will be eligible for assistance and how and provide for these families with limited Federal dollars. Under this system, if you are poor and happen to live in New York, you may be eligible to receive welfare assistance, while if you are poor and happen to live in Mississippi, you may not be eligible to receive assistance at all. This is hardly an equitable distribution of Federal dollars. Eliminating the Federal commitment to the Nation’s poor is something that I simply cannot support. Families in need of assistance should have somewhere to turn, regardless of the State in which they live.

Under this legislation, many children who currently have access to health care services through the Medicaid Program may lose this critically important access. It is estimated that as many as 1 million children may lose their health care coverage under this legislation. This legislation will allow States to deny health care coverage to many children who are currently receiving cash assistance but who will become ineligible for assistance under this bill. Not only will this legislation make many children ineligible for economic assistance, it will hit them twice by making them ineligible for health care services as well. At a time when the number of uninsured children is rising, it is unconscionable that we are considering legislation that will increase the number of uninsured children.

It is ironic that the Republican majority has chosen to make the working poor pay for the costs of this bill through cuts to the EITC. This bill actually raises taxes on approximately 4.3 million working families earning between $17,000 and $29,000 per year by phrasing out the EITC more quickly. Instead of placing the burden of funding their welfare proposal on those who can best afford it, the Republican majority is chosen to place this burden squarely on the shoulders of those who can least afford it.

During the Ways and Means Committee’s consideration of this bill, the Democratic minority was assured that the cuts in the earned income tax credit would be balanced by a nonrefundable $500 per child tax credit. However, this $500 per child tax credit will not be adequate to receive the child credit because they do not earn enough income. Many families who are hurt by the cuts in the EITC will be ineligible to receive the child tax credit. Not surprisingly, the bill before us does not contain the $500 per child tax credit but leaves the question open.

This legislation sends a mixed message to welfare recipients. Under current law, States are prohibited from counting families’ EITC payments in the calculation of their welfare eligibility and benefits. The legislation under consideration today will permit States to use EITC payments in these calculations. Individuals who are working and making ends meet through paid work but who just don’t make enough money to get by, face punishment by the State for their efforts. I offered an amendment during the Ways and Means Committee’s markup of this legislation that would have required States to continue the current policy of not counting EITC payments. This amendment was defeated by the Republican majority. The EITC was established and has enjoyed bipartisan support because it rewards work—exactly what this bill is trying to accomplish—and so I do not understand why my Republican colleagues insist on allowing States to punish families who are genuinely trying to make work pay.

I believe that individuals who can work and who can find a job should do so. I also believe that families who play by the rules should not be penalized for their inability to find work. This legislation does exactly that. By refusing to make child support obligations of the inadequate child and a dearth of viable job opportunities. Instead, the Republican majority has expressed the need for more rigorous enforcement of child support obligations. However, this legislation does not contain the $500 per child tax credit but leaves the question open.

The bill before us today will end the Federal guarantee of assistance to poor families. It punishes children for the deeds of their parents and will almost surely force millions more children into poverty and deprive them of health care.

Welfare reform does not need to be punitive. It does not need to end the responsibility of the Federal Government for the economic well-being of its citizens. The Republican majority’s brand of welfare reform does little to address existing barriers to economic self-sufficiency: inadequate education and training opportunities, unaffordable health care, inadequate child care and a dearth of viable job opportunities. Instead, the Republican majority has chosen again to continue its agenda of pursuing policies that injure our Nation’s most defenseless citizens while doing little to reduce the pernicious effects of poverty.

The Republican majority has repeatedly refused to pass a meaningful welfare reform bill. Meaningful welfare reform should move individuals to work and instill individual responsibility, while ensuring that children are protected.

The Republican bill debated today, just like the one vetoed by the President last year, does not pass these essential tests. In fact, the Republican bill fails to provide sufficient
funding to move welfare recipients to work; does not provide adequate resources for States and individuals in the event of a severe recession; and unduly and unnecessarily harms children. The Republican bill can be summed up as weak on work and tough on children.

I support the Castle-Tanner alternative which is a tough, balanced, and bipartisan welfare reform bill that can be signed into law if the Republicans would let it reach the President’s desk. Castle-Tanner contains the funding States need to put people to work according to the Congressional Budget Office. In addition, Castle-Tanner contains time limits for welfare benefits, guarantees protections for children, requires State accountability in operating welfare programs, and improves the response to economic downturns.

In my State of Rhode Island, a coalition of State officials, business leaders, and anti-poverty groups are currently working out the final details of a bipartisan welfare reform package. Unlike the Republican bill which would jeopardize this Rhode Island welfare reform effort, Castle-Tanner compliments it by providing the necessary resources and flexibility to move Rhode Island welfare recipients into work.

I urge my colleagues to support the Castle-Tanner substitute. Castle-Tanner is the only bill offered today that will provide the funding, flexibility, and protections necessary to create a reform welfare system that promotes work. Castle-Tanner is responsible and meaningful welfare reform and it is a better bill for both Rhode Island and America.

Mr. DURBIN. Madam Chairman, I rise in support of welfare reform.

The current welfare system is in desperate need of reform. For public aid recipients trapped in the system, for those who exploit the welfare system, and for the taxpayers who foot the bills, an overhaul of welfare in America is a high priority.

The real problem with our current system is that for many people welfare becomes more than a helping hand; it becomes a way of life. For some who enroll in the primary welfare program, Aid to Families with Dependent Children [AFDC], welfare becomes a trap they cannot escape. Some are afraid to lose the health benefits they receive through Medicaid. Others are unable to secure child care to enable them to go to work. We must eliminate these barriers and chart a clear path for welfare recipients to go after a paycheck instead of a welfare check. Welfare should be viewed as temporary assistance, not a lifestyle.

I believe welfare benefits should be cut off for recipients who are unwilling to pursue work, education or training. I also believe we must strengthen child support enforcement. Billions of dollars in child support payments go uncollected each year. By establishing paternity at birth and increasing the speed with which we can collect child support payments, we can reduce the number of families that are impoverished by the failure of non-custodial parents to fulfill their financial obligations.

Today the House of Representatives is considering two proposals—the Gingrich bill and a bipartisan proposal offered by Representatives CASTLE and TANNER. The bipartisan Castle-Tanner welfare reform bill is dramatically better than the Gingrich bill.

The bipartisan bill will move people form welfare to work. It provides sufficient funding for work programs, and provides needed child care assistance for mothers who will be required to work and for working poor families. The bipartisan bill protects children. It requires States to provide vouchers for the children of families who are removed from welfare before they reach the 5-year time limit, and it gives States the option of providing vouchers for children of families who exceed the 5-year limit. It allows families to continue their Medicaid coverage if they lose welfare benefits because of a time limit. And it continues the eligibility of the children of legal immigrants for Medicaid and Food Stamps after 5 years.

In contrast, the Gingrich welfare bill is weak on work and tough on children. It cuts resources for programs that move people from welfare to work potentially leaving States with a $9 billion deficit over 6 years. It discourages work by reducing the State Income Tax Credit, which has the effect of raising taxes on more than 4 million poor working families. It makes deep cuts in food stamps, endangering the nutrition of millions of children and elderly Americans. It denies food assistance to more than 300,000 children simply because they are not a part of the current welfare system. It does not ensure Medicaid eligibility when States change their welfare rules, endangering the health of millions of poor families. And it fails to ensure that child support orders are updated regularly to reflect the growing income of the non-custodial parent.

I still have significant problems with parts of the Castle-Tanner bill, particularly provisions relating to legal immigrants. Legal immigrants play by the rules and contribute to the progress of our country, just as all of our ancestors have done. I support effective requirements on the sponsors of legal immigrants who apply for benefits, but I do not believe that people who live legally in our country should be treated unfairly.

I am supporting Castle-Tanner in the hope that bipartisan welfare reform will become a reality this year. But before I support sending this legislation to the President, I want to be assured that the House-Senate conference committee addresses the serious flaws in the House effort. Mr. RICHARDSON. Madam Chairman, I oppose this closed rule which prohibits this House from taking a vote on issues critical to American mothers yesterday. I testified before the committee on two amendments important for the safety and futures of American Indian children. My amendments would have restored the current set-aside level for tribes under the Child Care Block Grant and made tribes eligible for Title IV-E adoption and foster care assistance funds.

I am disappointed that the Congress will not have an opportunity to vote on these important issues.

Because of my particular concern about the Title IV-E adoption assistance and foster care program, I will be introducing legislation to make Indian children eligible for this assistance. I strongly believe this is an issue that this Congress on obligation to vote on whether it is a part of welfare reform or a free standing bill.

Mr. HORN. Madam Chairman, after the billions of taxpayer dollars spent to end poverty, why do the welfare rolls continue to grow? Why do we do better than the welfare system we have in place right now?

How many more families will be trapped in the current welfare system before Congress and the President finally act? Isn’t it time that the President lived up to his campaign promise to “end welfare as we know it?”

And, isn’t it time for Congress to act? These are the questions that America wants answered. I urge my colleagues to provide these answers by voting for welfare reform today.

Mr. COSTELLO. Madam Chairman, I rise in opposition to the welfare reform plan presented to this House today. This plan is another mean-spirited attack on the most vulnerable citizens in our society, who have been asked to endure huge cuts in programs to pay for the federal deficit. With the latest installment of scoring political points, the leadership of this House has offered to send the President a bill that begs to be vetoed. This bill should not go forward.

I fully believe our welfare reform system is in dire need of reform. For too long, it has fostered dependency and not provided the resources or incentive for work. However, I cannot in good conscience support a bill that as a policy turns its back on poor and needy children. This bill eliminates the Federal safety net of Medicaid and food stamps for many kids, and cuts millions of dollars by denying Supplemental Security Income [SSI] assistance to the poor and disabled. And, by mandating that individuals work without providing adequate employment resources and child assistance, this bill threatens the health and safety of thousands of children who now rely on their parents care. This legislation is now responsible reform, and the real losers under this bill are the 1 million children who will be pushed into poverty under this so-called reform.

I urge my colleagues to support the Castle-Tanner substitute, which represents a modest compromise that will protect children while reforming our welfare system. The Castle-Tanner proposal guarantees protections for children and provides the support necessary for individuals who will now be made seriously responsible once welfare is not an option. It continues child support enforcement and does not jeopardize this Rhode Island welfare reform effort.

It allows families to continue their Medicaid coverage if they lose welfare benefits because of a time limit. And it continues the eligibility of the children of legal immigrants for Medicaid when States change their welfare rules, endangering the health of millions of poor families. And it fails to ensure that child support orders are updated regularly to reflect the growing income of the non-custodial parent.

I urge my colleagues to provide the Castle-Tanner substitute, which represents a modest compromise that will protect children while reforming our welfare system. I urge my colleagues to support the Castle-Tanner substitute, which represents a modest compromise that will protect children while reforming our welfare system.
American society almost 75 years ago. It is challenging to observe what the public and private sectors are doing to support children and families in the transition from welfare to work to self-sufficiency. Congress has the important role of providing a national view and in assuring that national priorities are addressed at the State and local levels of service administration and delivery. Many families need help to transition from public assistance, known as welfare, to self-sufficiency. We, as the national representatives of our society, must help build bridges and extend ladders to support parents and families as they move from welfare to work to self-sufficiency.

Work, responsibility, empowerment, and self-sufficiency should be the hallmarks of this welfare reform debate. The Republican philosophy is simply to get people off the public payroll, with no attention to or concern about what these families will do when they face the challenges that may be inevitable for many of them. The best plan is one which will not come about at the expense of the children, and which will help people make the difficult transition from welfare to work. That's the real test of welfare reform.

There are five basic principles that must be considered in any welfare reform effort: Welfare reform must protect children. Their well-being must be our top priority; parents must take responsibility for their families, personally, emotionally, and financially; it is critically important to empower young people to reduce teen pregnancy and out-of-wedlock childbirth; quality child care is an issue that must be addressed and provided; and there must be access to quality health care.

We, as Federal legislators, must assure that the children are protected. They must not be required to pay for either the mistakes of their parents or for the failures of our educational or private, corporate system that has left too many parents without adequate life and work skills to be self-sufficient. Reform ought not be just a race to see who can kick the most needy families off welfare. Instead, our emphasis must be on enabling and empowering, not punishing parents and families—a true profamily agenda. Workable welfare reform legislation has to have not only real requirements for work, but also for job training, counseling, and personal as well as financial support.

One positive approach is based on a simple compact: Job training, job contracts, child care and child support enforcement to transition people to work; plus time limits on cash assistance; and the self-sufficiency so that welfare is not a way to subsidize families off welfare. Instead, our emphasis must be on enabling and empowering, not punishing parents and families—a true profamily agenda. Workable welfare reform legislation has to have not only real requirements for work, but also for job training, counseling, and personal as well as financial support.

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CHILD SUPPORT COLLECTIONS

It is my belief that both parents should be required to support their children. Child support enforcement is an integral part of real welfare reform. For example, we have to develop and implement local levels of service administration to increasing child support collections. Therefore, paternity should be required to be established in the hospital, at the birth of the child, if at all possible, and without penalizing the mothers. I'd like to see a Federal law requiring uniform State laws which will prevent parents from evading their responsibilities by crossing State lines. This would require centralized registries and new hire reporting procedures or a national employment registry, which could be the IRS.

There are over 19 States that are using professional license suspension or revocation as a method to enforce child support payments. The threat of taking away driving, professional, and other work-related licenses works. The Congressional Budget Office has estimated that the Federal Government could save over $11.4 billion in child support over the first 5 years as a result of a nationwide license revocation or suspension program. Therefore, it is reasonable to predict that just one major child support enforcement proposal would help boost child support collections to $20 billion by the year 2000.

In summary: Work, responsibility, and empowerment are the keys to helping people make the transition from welfare to self-sufficiency. Budget cutting is not welfare reform. Supporting parents to develop self-sufficiency is. Putting people to work is. With continued advocacy, we can make the changes that are necessary. We can establish and maintain the bridges from welfare to self-sufficiency for families. I have recently learned a startling statistic prepared by The Brookings Institution. A chart showed that welfare population demonstrated that the top levels of income increased from 30 to 40 percent over the last two decades. The middle incomes saw a modest increase in adjusted real personal income; however, the lowest levels of income saw a dramatic decline to down to a 30-percent decrease. From a plus 40-percent increase for the very wealthy to a 30-percent decrease for the very poor, and the Dole-Gingrich Republicans want to decrease welfare.

I cannot help but wonder whether the Dole-Gingrich Republicans even know who the welfare recipients are. Well, let me put a face on them. They are the single mom who dropped out of high school as a pregnant teenager, who was abused by adults as a child and abused by her spouse as an adult. She receives a pitience in Aid to Families with Dependent Children [AFDC] and an allotment for food stamps. She can't get a midlevel paying job because she has no skills. Even if she could get a low paying job—where the competition is tough—there aren't any health care benefits; and after she pays for babysitting and transportation she is usually left with less than $50 to pay the rent. And heaven forbid if the kids get sick—she can't afford medical care.

Will the Dole-Gingrich Republicans give her a job? Will they help support jobs training programs so she can develop some employable skill? Not in this original bill. That mom and her kids make up the largest population of welfare recipients. The next large population group that the Federal Government subsidizes with welfare are the disabled—and the eligibility is that they cannot hold a job. Will the Dole-Gingrich Republicansemploy that person with disabilities? Or will they support training programs or funding to assist an employer with a job that would make most people with disabilities employable. Their record of little compassion and understanding for the least fortunate doesn't indicate that they will.

Madam Chairman, I stand for responsible government; for responsible parents, and for a responsible and caring private sector. We all must join together and support a system that can benefit all sectors by enabling all families to be proud and self-sufficient.

While I do not agree with several of the provisions of the Castle-Tanner substitute it is better than the Republican bill.

Ms. BROWN of Florida. Madam Chairman, I rise in opposition to the Republican welfare reform proposals. Instead of solving the welfare problems in this country, this bill creates new ones. By relying on block grants to distribute...
money to States, the neediest and most vul-
nerable people of this country could be left out
in the cold.

Sending money in the form of block grants is a
virtual guarantee that rapid growth States like
Florida will either have to make up for the loss
of money on their own—or deny assis-
tance to the neediest families in their jurisdic-
tion. We need to balance this country's budget
in a way that holds everyone responsible—not
just the poor and the needy.

By cutting the earned-income tax credit, the
Republicans are simply punishing low-income
working families. And by getting rid of job
training programs, the Republicans are elimi-
nating the motivation that welfare recipients will
have the necessary skills to get a job.

The Republican proposal is a mean-spirited
attempt to punish those who are already suf-
fering.

Ms. ESHOO. Madam Chairman, I rise in op-
position to this bill and in strong support of the Tanner-Castle welfare reform package.

The Tanner-Castle proposal is sounder pol-
cy for our country and reforms a broken sys-
tem by focusing on two critical elements: It
protects children and it promotes and assures
work.

The Tanner-Castle proposal differs from H.R.
3734 in several other important areas: It
provides $3 billion in mandatory resources for
work programs; it requires vouchers for the
needs of children during the 5-year time limit
for benefits; enough mandatory funding is pro-
vided for child care for all welfare recipients;
local governments are allowed greater partici-
pation in the process of setting up programs in
their areas that meet the needs of their citi-
zens; it includes an open ended contingency
fund for States to access in the event of an
economic recession; it requires a greater an-
nual commitment by the States for welfare
programs; it provides food stamp benefits for
the children of legal immigrants.

There are no differences that negate the
reforms of the welfare system that my Repub-
lican colleagues are seeking. The provisions I
have listed ensure that when we make these
reforms we are improving the current system
while maintaining a safety net for those who
need it. Change for the sake of change is not
good enough unless there is a regard for the
impact it will have.

Madam Chairman, the Tanner-Castle legis-
lation meets the test that those who are in the
system are given the assistance they need to
move from welfare to work. H.R. 3734 does
not.

Our country must have a sound, workable,
and fair welfare reform policy. H.R. 3734 is
tough on kids and weak on work. More than
1 million children could be pushed into poverty
and in 70 percent of these families, one of the
parents is working. The bill makes it less likely
that child support orders will be updated regu-
larly—actually weakening current law on dead-
beat parents—while increasing Federal costs.
I urge my colleagues to support the Tanner-
Castle substitute and oppose the underlying
bill.

Mrs. VUCANOVICH. Madam Chairman, in
the board game called life, there is no welfare
square that keeps your game piece there in-
place, and in 70 percent of these families, one
of the parents is working. The bill makes it less
likely that child support orders will be updated
regularly, while increasing Federal costs.

I urge my colleagues to support the Tanner-
Castle substitute and oppose the underlying
bill.

Government over the years has changed the
values for our children to live by.

Today on the House floor we are not play-
ing a game. Today we are taking a step, hop-
efully with the President's support, to re-
store our American values and reform the wel-
fare system so that welfare is no longer a way of
life. We can offer our citizens and children a
chance—a chance to work, a chance to go
to school, and a chance to be a success and win
the real game of life.

H.R. 3734 promotes work and helps moth-
ers on welfare by providing the job training and
child care they need to achieve this goal. This
bill says no more handouts, no more prisons,
and no more government imposed on our
system, and reduced opportunities for those
who truly deserve assistance.

In addition, this bill restores power and flexi-
ibility of the welfare program to the States. You
and I both know that Washington bureaucrats
do not know what is best for Nevadans—most
of them have never even been to the Silver
State to learn what Nevadans need and what
challenges must be faced. The best solutions
can come from those who know us best, our
own State government. To help our States,
the bill provides appropriate funding and addi-
tional funding opportunities for those States,
like Nevada, with growing populations.

Lastly, and perhaps most importantly, the bill
encourages responsibility of families to reduce
illegitimacy rates and to have parents take fi-
ancial responsibility for their children. Today's
illegitimacy rate among welfare families is
almost 50 percent and is expected to rise. This
bill takes bold steps to establish paternity and
to make fathers pay child support. These are
tough provisions, and it is about time that the
Federal Government helps States track down
parents who are unwilling to take care of their
own family members. You see, Madam Chair-
man, this is not a game—the 104th Congress
means business.

H.R. 3734 helps our future by helping our
children. Each child will be our leaders some-
day and we must instill in them the val-
ues we grew up with. Responsibility for family,
hope to go to college or have a good job,
dreams to be a success—they are not just
squaring on a board game, but are attainable
goals in the real game of life. H.R. 3437 is a
first step in making these goals become a re-
ality, and I encourage my colleagues to sup-
port this legislation, and urge the President's
to sign this essential bill for our children.

Mr. RICHARDSON. Madam Chairman, I am
committed to reforming our failing welfare sys-
tem. Our Nation needs a welfare reform that
gives people back the dignity and control that
we grew up with. Responsibility for family,
children. Our children

Our current system pays cash assistance when
people lack adequate means to provide for
their families rather than providing them with
the means to support themselves.

My voting record reflects what I want to see
in a welfare package. I believe that welfare
should be a temporary program that provides a
safety net for people who fail on hard times. I
have voted for a pro-
gram that limits persons to a 5-year lifetime
limit for welfare assistance.

I believe that able-bodied adults with no
children should not be eligible for food stamp
benefits if they are not working at least part
time.

I also believe that welfare recipients must
be aggressively looking for a job. I have voted
for legislation which terminates a persons ben-
efits if they refused to work, to accept a job,
or refused to look for work. If a job is not
available, welfare recipients should be put in
community service jobs.

Central to the welfare debate are our chil-
dren. We have the choice of whether to allow
children until they are able to support them.
I support provisions which reduce benefits for
teen parents who fail to maintain minimum
performance in school and denies teen par-
ents assistance unless they are living with a
parent or responsible adult.

I also believe that parents—both parents—have
responsibilities to support their children. I have
voted for legislation which withholds paychecks for
caring for children who do not pay child support.

At the same time we are holding parents re-
sponsible for their children, we should not
punish a child whose parents fail. We have a
moral obligation to provide that no child goes
hungry, is denied needed medical care, or is
left with inadequate supervision.

Welfare reform must include child care mon-
ey for people entering the work force with
small children.

I also believe a welfare reform plan should
give people access to the training they need,
but expect them to work in return. I am dis-
appointed that H.R. 3734 has no provisions to
move people into the work force.

Mr. CLAY. Madam Chairman, I rise to op-
pose this partisan and politically motivated
welfare bill that would push 1 million more
children into poverty.

Wore it not for the fact that many have ex-
plained welfare issues for raw political pur-
poses, perhaps we could reform a welfare system
badly in need of revision.

Wore it not for the fact that those promoting
an agenda of slashing domestic assistance
programs to finance unfair economic priorities,
perhaps real welfare reform could be achieved.

Were it not for the fact that many have ex-
plained welfare issues for raw political pur-
poses, perhaps we could reform a welfare system
badly in need of revision.

Rather than exhausting my time objecting to
the most reprehensible provisions of this Re-
publican plan, let me focus on some of the
things that must be contained in any welfare
reform bill I can support in good conscience:

First, welfare reform must contain realistic
work requirements and enforcement meas-
ures devised to appeal to a crazed, cynical,
public of poor people. Most welfare
recipes want what is best for themselves
and their families. They want fulfilling jobs
that pay a livable wage. But when those clamoring
for welfare oppose adequate resources for
job training and education, their sincerity is
called into question. When those seeking
workfare in place of welfare show no concern
that jobs are available which pay decent
wages, welfare reform is an empty vessel.

Second, welfare reform must ensure that
parents seeking to stay off welfare are able
to leave their children in safe and healthy child
care settings. Without adequate child care
funding, welfare reform is a bizarre notion.

Third, welfare reform must ensure that the
poor are protected against hunger and illness.

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There must be an adequate contingency funding to shield the poor against recessions. Adequate food stamps must be available for poor families so they don’t starve, and, Medicaid must be preserved to protect welfare recipients from the range of health risks that threaten the medical well-being of the poor and the elderly. 

Welfare reform must preserve critical Federal efforts to protect children from abuse and neglect. It must not be used as a vehicle for reckless experimentation with those protections.

Madam Chairman, we have a solemn responsibility to the Nation to address the problems of poverty while preserving the dignity of the poor and the elderly. The Republican welfare bill before us has little to do with logic, compassion or the reform of welfare.

I urge my colleagues to reject this misnamed, gerrymandered bill that espouses unrealistic, inhumane expectations. The architects of this legislation are willing to inflict suffering and misery on children. Their bill speaks volumes about the warped morality of those who would let children and the elderly starve.

Madam Chairman, the mere consideration of this heinous legislation evidence that this Congress and the American people who insist on this perversion of decency have lost all sense of purpose. This assault on the poor is driven by dishonesty and deception. It constitutes a reckless abdication of human values.

I urge its defeat.

Mr. BERGER. Madam Chairman, this Member is pleased to support welfare reform legislation currently before the House for consideration. This Member has been a long-time supporter of efforts to reform our current welfare system to ensure that only those who are unable to provide their own basic needs receive assistance.

Enactment of a strong welfare reform measure that places an emphasis on work as its centerpiece is long overdue. The Congressional Budget Office has estimated that 1.3 million families now on welfare will be working in fiscal year 2002 as a result of the enactment of this legislation which converts welfare into work grants.

President Clinton promised to end welfare as we know it during his 1992 Presidential campaign. The President should be true to his initial instincts and campaign promise and sign this much needed welfare reform measure. The President’s prior two veto of welfare reform measure and his refusal to sign another broken promise to the American people for welfare reform are inconsistent with what the President requested. This Member is hopeful that speedy action will be taken to enact this welfare reform bill. It provides a compassionate solution for a failed welfare system.

However, this Member is concerned that once again, the President by his rhetoric in the past week, is laying the groundwork to reverse his course, violate his own statements, and again veto strong welfare reform legislation. It seems that Marian Wright Edelman will oppose any welfare reform bill that is worthy of serious consideration, but that as long as Marian Wright Edelman is opposed to this welfare reform bill, Mrs. Clinton will oppose it, and the President will veto this legislation and every welfare reform bill that is worthy of being called a reform bill.

For millions of poor Americans trapped in a system of despair, this measure offers them hope to escape the welfare cycle. It does that by replacing our current welfare bureaucracy with reforms based on the dignity and necessity of work for the able-bodied, and on the strength of families. States are also granted maximum flexibility to help needy individuals achieve self-reliance.

In addition, this important legislation ensures that absent parents are not allowed to walk away from their moral and financial responsibility to care for their children. Deadbeat parents currently compound the Nation’s welfare problems, causing millions of children to live in poverty.

Madam Chairman, this Member urges his colleagues to support this strong welfare reform measure which ensures that the system of something for nothing is ended, and to require that welfare recipients meet reasonable and responsible standards.

Mr. KLEczka. Madam Chairman, I rise in support of the welfare proposal put forth by the majority today.

I commend my colleagues on their decision to remove the poison pill of Medicaid from this bill.

And I commend my colleagues for the substantial steps they have taken to address the President’s concerns, and the concerns of my Democratic colleagues.

This new bill ensures the continuation of health care coverage for those no longer eligible for AFDC. It deletes the unwarranted reductions to the earned income tax credit that were included in the original bill. And, it adds in $3 billion in work program funding.

No piece of legislation is perfect; this one is no exception. We know full well that we will revisit this issue repeatedly as problems arise.

I would have preferred to see more Federal funding for job placement and training, for child care, and for protection during recessions.

I would have preferred to increase State flexibility by giving States the option to use Federal funds to provide vouchers for children whose parents hit the time limits, rather than removing the protection of those vouchers by including an anti-voucher provision. I have fought, unsuccessfully, for stronger nondisplacement language so that America’s workers can be assured that their jobs won’t be put in jeopardy. This omission still concerns me.

However, this legislation is a solid start. It gives our States the tools and the flexibility they need to enact meaningful, constructive reform.

A reform based upon personal responsibility: and personal achievement. A reform that moves people into the work force—permanently.

Congress must put aside partisan differences and pass this plan—to reform and revitalize our welfare system.

Ms. SERRANO. Madam Chairman, we can all agree that the welfare status quo is unacceptable. But the Republican welfare reform proposal will make the problems of poverty and dependence much worse because it refuses to make work the cornerstone of welfare reform.

Real welfare reform is about work. Opportunities for work, jobs that pay a living wage are necessary to provide skills necessary to earn a living wage are long-term solutions for a permanent and productive reform in our welfare system.

Real welfare reform must emphasize the importance of work. Real welfare reform must also aid rather than punish children. Fourteen million children live in poverty in the United States. Passage of this legislation would add millions more to that statistic. This welfare bill is punitive and unrealistic.

Abolishing the safety net for children, imposing family caps, denying legal immigrants benefits, imposing arbitrary time limits, and failing to provide adequate child care, health care, education, job training, and work opportunities for people in need will thrust millions more into poverty.

This bill cuts almost $60 billion from the poor in our country. These cuts will affect children whose parents are on welfare. These cuts will trap countless women in abusive relationships, with nowhere to turn—without a realistic way to gain independence, gain work, and provide for their children.

Welfare reform must be about education, job training, and work. We must keep families together, rather than tearing them apart. We cannot simply reduce the deficit at the cost of our poorest Americans. This proposal has little wisdom, conscience, or heart.

Some of my colleagues will vote for this bill and then wash their hands of welfare reform, saying they have done their job. But the job of welfare reform is more complex and dire. People living in poverty are not cardboard cutouts—they do not have the same stories, they do not need the same services. This bill treats everyone alike—with unrealistic time limits and no real, lasting, and effective plan to move welfare recipients to work at a living wage.

The denial of benefits to legal immigrants in this legislation will do great harm to our nation and have a devastative impact on the health care system in our country. Only 3.9 percent of immigrants, who come to the United States to join their families or to work, rely on public assistance, compared to 4.2 percent of native-born citizens. According to the Urban Institute, immigrants pay $25 billion more annually than they receive in benefits. Yet the myth persists that welfare benefits are the primary purpose for immigration to the United States. Instead of appreciating legal immigrants for their significant contributions to this, their adopted country, this bill blantly punishes them, especially young children and the elderly. It bans SSI and food stamps for virtually all legal immigrants. It tosses aside people who pay taxes, serve our country, and play by the rules. This lacks compassion and common sense.

If we want to achieve real welfare reform, we need to offer some long-term solutions to help people move up and out from the cycle of poverty.

The current welfare system is not adequate, but this bill makes it far worse. I urge my colleagues to oppose the Republican bill and work together for meaningful reform that puts people to work and pulls them out of poverty forever.

Mr. SERRANO. Madam Chairman, I rise in emphatic opposition to the Republicans’ welfare reform bill. I am tempted to simply repeat the remarks I made last year, on the so-called Personal Responsibility Act, since the flaws in this bill are remarkably similar. But I do have a few new things to say.

It is clear to all thinking people that our current welfare system fails the people it is meant to help, and every Member of this House, Democrat as well as Republican, has voted for
some form of welfare reform in the last 2 years. But the Republicans’ approach will make the situation of the poor—and of the charities that help them and the cities that contain them—much worse.

The clearest sign that this bill is totally misguided is that it saves so much money. Everybody knows it takes more spending, not less, to give poor mothers the tools they need to get and keep jobs and to escape poverty. They need education, training, job-search assistance, day care and health care for their children, and jobs—and that means jobs that don’t displace others.

Could it be that the real reason Congress has been so slow to pass welfare reform in the past? But this bill cuts the programs that sustain our neediest families. It slashes the safety net for the poorest children and families.

And, Madam Chairman, it is incomprehensible to me that we have now reached a point where not one of the proposals before the House today presents the entitlement—the guarantee that some constituencies and some superiors—Castle-Tanner substitute—are a disgrace, and an absolute bar to my supporting either bill.

The United States is a nation of immigrants. That is a cliché precisely because it is true. We all have roots beyond the borders of the United States; we all have ancestors, as near as our parents or as remote as our many, many, times-great grandparents, who, willingly or not, came to America.

We know that immigrants don’t come for public assistance; they come to join family members and to provide a better life for their children. They work, they pay taxes, they participate in their schools and churches and communities, and they play by the rules. Why should they be targeted by this bill? Why should fully half the savings in this bill be achieved on the backs of legal immigrants who are in trouble or who wish to better themselves?

I do think of only one reason. For the past several years, this country has seen a rising tide of antiimmigrant feeling, whipped up by public officials who find naming scapegoats easier than dealing with the real problems facing their constituents. If the economy turns down, why, it must be immigrants. If schools are crowded, immigrants must be the reason.

Crime?

The antiterrorism bill has already made long-term immigrants with deep roots in America suddenly subject to detention and deportation for long ago, mostly minor brushes with the law.

The immigration bill—supposed to deal with control of our borders and enforcement of our immigration laws—includes provisions to deny citizens and legal residents the right to reunite their families in America.

Both the immigration bill and this bill would go way beyond enforcing sponsors’ obligations to support the immigrants they bring to this country. Instead, they would make it impossible for our society to meet its moral obligations. We deny immigrants the ability to better themselves through education and training.

Funds for bilingual education are slashed, even as some Members of this House would impose English-only policies on government. Bilingual ballots and voting assistance are under attack, when even lifetime English speakers think they need law degrees to understand some of the provisions that appear on our ballots.

Madam Chairman, one thing that disturbs me very much is that this assault seems to be related to changes in the ethnicity of many recent immigrants. This suggests that ethnic discrimination is likely to rise. If immigrants are singled out as the class of people who are not worthy of, or entitled to, assistance available to citizens, those who look or sound foreign are at risk of extra scrutiny. You may recall reports that, after proposition 187 passed in California, Hispanics’ rights to buy a pizza or rent an apartment were questioned by you. Madam Chairman, are unlikely to be asked, but increasingly, people who look like me are being questioned about our immigration status. This is illegal, undemocratic, unfair, but increasingly real.

Madam Chairman, I could go on, but I will close by urging all of my colleagues to reject the tax cut for the wealthiest of the wealthy and accept the welfare reform bill. It is simply too far off course.

We need to return to basic principles and start all over again if welfare reform is to result in a welfare system that is compassionate, workable, and, above all, fair.

Mr. JOHNSON of South Dakota. Madam Chairman, I rise only in reluctant support of H.R. 3734 so that we may move forward with needed welfare reform in this country. While I preferred the bipartisan approach taken in the amendment by Mr. CASTLE and Mr. TANNER, which gives States more flexibility to develop and implement work programs, it is paramount that any compromise welfare reform bill. It is simply too far off course. We need to return to basic principles and start all over again if welfare reform is to result in a welfare system that is compassionate, workable, and, above all, fair.

Mr. JOHNSON of South Dakota. Madam Chairman, I rise only in reluctant support of H.R. 3734 so that we may move forward with needed welfare reform in this country. While I preferred the bipartisan approach taken in the amendment by Mr. CASTLE and Mr. TANNER, which gives States more flexibility to develop and implement work programs, it is paramount that any compromise welfare reform bill. It is simply too far off course.

We need to return to basic principles and start all over again if welfare reform is to result in a welfare system that is compassionate, workable, and, above all, fair.

Mr. CASTLE and Mr. TANNER, which gives States more flexibility to develop States to implement solid work requirements of H.R. 3734. The Congressional Budget Office has concluded that most States would fail to meet the work requirements and that most would simply accept the penalties rather than implement the requirements for work the necessary minimum child support in the welfare system is to move people to self-sufficiency. We must not fail in that regard and therefore I am hopeful that this bill is improved in conference to ensure adequate resources to States to implement solid work requirements.

We must ensure that no families lose health care coverage when States change AFDC rules. Even though the Medicaid reconciliation provisions have been removed, we need to guarantee that families do not lose health care coverage even if they are removed from welfare rolls.

Mr. JOHNSTON. Madam Chairman, our Nation demands that we reform our welfare system. This legislation moves a long way toward needed reform, but it can still be better. I offer my reluctant support and hope that the Senate and the conference committee address my concerns and make this bill the best that it can possibly be.

The CHAIRMAN. All time for debate pursuant to House Resolution 82 has expired.

Pursuant to the rule, an amendment in the nature of a substitute consisting of the text of H.R. 3829, modified by the amendment printed in part 1 of House Report 104-686—would, if agreed to, replace the title of the bill as amended, shall be considered as an original bill for the purpose for further amendment and is considered read.

The text of the amendment in the nature of a substitute, as modified, as follows:

H.R. 3829
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 “Welfare Reform Reconciliation Act of 1996”.

SEC. 2. TABLE OF TITLES.
The table of titles of this Act is as follows:

Title I—Committee on Agriculture
Title III—Committee on Economic and Educational Opportunities
Title IV—Committee on Ways and Means

TITLE I—COMMITTEE ON AGRICULTURE
SEC. 1001. SHORT TITLE.
This title may be cited as the “Food Stamp Reform and Commodity Distribution Act of 1996”.

SEC. 1002. TABLE OF CONTENTS.
The table of contents of this title is as follows:
Sec. 1001. Short title.

Sec. 1002. Table of contents.

Subtitle A—Food Stamp Program

Sec. 1003. Table of contents—Subtitle A.

Sec. 1004. Title I—Food Stamp Program.

Sec. 1007. Title II—Provisional Benefits.

Sec. 1008. Title III—Transportation.

Sec. 1009. Title IV—Implementing and Improving the Program.

Sec. 1010. Table of contents—Subtitle B.

Subtitle B—Commodity Distribution Programs

Sec. 1011. Title I—Commodity Distribution Programs.

Sec. 1012. Title II—Special Programs.

Sec. 1013. Table of contents—Subtitle C.

Subtitle C—Electronic Benefit Transfer Systems

Sec. 1014. Title I—Programs.

Sec. 1015. Title II—Support Programs.

Sec. 1016. Table of contents—Subtitle D.

Subtitle D—Modification of Certification Period

Sec. 1017. Title I—Modification of Certification Period.

Sec. 1018. Title II—Adjustments.

Sec. 1019. Table of contents—Subtitle E.

Subtitle E—Energy Assistance

Sec. 1020. Title I—Energy Assistance.

Sec. 1021. Title II—Programs.

Sec. 1022. Table of contents—Subtitle F.

Subtitle F—Federal and State Reimbursement

Sec. 1023. Title I—Federal and State Reimbursement.

Sec. 1024. Title II—State Reimbursement.

Sec. 1025. Table of contents—Subtitle G.

Subtitle G—Other Provisions

Sec. 1026. Title I—Other Provisions.

Sec. 1027. Title II—Amendments.

Sec. 1028. Table of contents—Subtitle H.

Subtitle H—Provisions Relating to the Commodity Food Stamp Program

Sec. 1029. Title I—Provisions Relating to the Commodity Food Stamp Program.

Sec. 1030. Title II—Implementation.

Sec. 1031. Table of contents—Subtitle I.

Subtitle I—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1032. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1033. Title II—Amendments.

Sec. 1034. Table of contents—Subtitle J.

Subtitle J—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1035. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1036. Title II—Amendments.

Sec. 1037. Table of contents—Subtitle K.

Subtitle K—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1038. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1039. Title II—Amendments.

Sec. 1040. Table of contents—Subtitle L.

Subtitle L—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1041. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1042. Title II—Amendments.

Sec. 1043. Table of contents—Subtitle M.

Subtitle M—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1044. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1045. Title II—Amendments.

Sec. 1046. Table of contents—Subtitle N.

Subtitle N—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1047. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1048. Title II—Amendments.

Sec. 1049. Table of contents—Subtitle O.

Subtitle O—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1050. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1051. Title II—Amendments.

Sec. 1052. Table of contents—Subtitle P.

Subtitle P—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1053. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1054. Title II—Amendments.

Sec. 1055. Table of contents—Subtitle Q.

Subtitle Q—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1056. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1057. Title II—Amendments.

Sec. 1058. Table of contents—Subtitle R.

Subtitle R—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1059. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1060. Title II—Amendments.

Sec. 1061. Table of contents—Subtitle S.

Subtitle S—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1062. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1063. Title II—Amendments.

Sec. 1064. Table of contents—Subtitle T.

Subtitle T—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1065. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1066. Title II—Amendments.

Sec. 1067. Table of contents—Subtitle U.

Subtitle U—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1068. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1069. Title II—Amendments.

Sec. 1070. Table of contents—Subtitle V.

Subtitle V—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1071. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1072. Title II—Amendments.

Sec. 1073. Table of contents—Subtitle W.

Subtitle W—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1074. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1075. Title II—Amendments.

Sec. 1076. Table of contents—Subtitle X.

Subtitle X—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1077. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1078. Title II—Amendments.

Sec. 1079. Table of contents—Subtitle Y.

Subtitle Y—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1080. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1081. Title II—Amendments.

Sec. 1082. Table of contents—Subtitle Z.

Subtitle Z—Provisions Relating to the Commodity Food Stamp Program ( Continued )

Sec. 1083. Title I—Provisions Relating to the Commodity Food Stamp Program ( Continued ).

Sec. 1084. Title II—Amendments.

Sec. 1085. Table of contents—Index.

Index.
(B) DEDUCTION.—Except as provided in subparagraph (C), a household with earned income shall be allowed a deduction of 20 percent of all earned income to compensate for taxes, other mandatory deductions from such income, and other necessary expenses.

(C) EXCEPTION.—The deduction described in subparagraph (B) shall not be allowed with respect to determining an overissuance due to the failure of a household to report earned income or special deductions.

II. DEPENDENT CARE DEDUCTION.—

(A) IN GENERAL.—A household shall be entitled, with respect to expenses (other than excluded expenses described in subparagraph (B)) for dependent care provided by a dependent care deduction, the maximum allowable level of which shall be $200 per month for each dependent child under 2 years of age and $175 per month for each other dependent, for the actual cost of payments necessary for the care of a dependent if the care enables a household member to accept or continue employment, or training or education that is necessary for employment or training.

(B) EXCLUDED EXPENSES.—The excluded expenses referred to in subparagraph (A) are expenses—

(i) food, clothing, and personal expenses paid on behalf of the household by a third party;

(ii) amounts made available and excluded for the expenses referred to in subparagraph (A) under subsection (d)(3); and

(iii) expenses that are paid under section (d)(4).

III. DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

(A) IN GENERAL.—In computing the excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been made, a household may use a deduction for child support payments.

(B) METHODS FOR DETERMINING AMOUNT.—

The Secretary may prescribe by regulation the methods, including calculation on a retrospective basis, by which a household shall use to determine the amount of the deduction for child support payments.

IV. HOMELESS SHELTER ALLOWANCE.—

A State agency may develop a standard homeless shelter allowance, which shall not exceed $143 per month, for such expenses as may reasonably be expected to be incurred by households in which all members are homeless or living in transitional, emergency, or temporary shelters.

(a) IN GENERAL.—A State agency shall

(i) allow a household to switch at the discretion of the Secretary if a household failing to report an increase in medical expenses if a change has been anticipated for the certification period.

(ii) rely on reasonable estimates of the medical expenses that are incurred by the member, public or private medical insurance coverage, and the current verified medical expenses incurred by the member;

(iii) require further reporting or verification of a change in medical expenses if such a change has been anticipated for the certification period.

(a) DEDUCTION FOR EXPENSE DEDUCTION.—

(A) IN GENERAL.—A household shall be entitled, with respect to expenses other than expenses paid on behalf of the household by a third party, to an excess shelter expense deduction to the extent that the monthly amount expended by a household for shelter exceeds an amount equal to 50 percent of monthly household income after all other applicable deductions have been made.

(B) METHODS FOR DETERMINING AMOUNT.—In the case of a household that does not contain an elderly or disabled individual, the excess shelter expense deduction shall not exceed—

(i) in the District of Columbia, $247 per month; and

(ii) in Alaska, Hawaii, Guam, and the Virgin Islands of the United States, $249, $353, $331, and $321 per month, respectively.

C. STANDARD UTILITY ALLOWANCE.—

(I) IN GENERAL.—In computing the excess shelter expense deduction, a State agency may use a standard utility allowance in accordance with regulations promulgated by the Secretary, except that a State agency may use an allowance that does not fluctuate within a year to reflect seasonal variations.

(II) RESTRICTIONS ON HEATING AND COOLING EXPENSES.—An allowance for a heating or cooling expense may not be used in the case of a household that

(i) does not incur a heating or cooling expense, as the case may be;

(ii) does incur a heating or cooling expense but is located in a public housing unit, if the State agency determines that the use of the allowance would not result in an increased cost to the household;

(iii) shares the expense with, and lives in the same household as, another individual not participating in the food stamp program, another household, or both.

(III) MANDATORY ALLOWANCE.—

(I) IN GENERAL.—A State agency may make a mandatory standard utility allowance for all households with qualifying utility costs if—

(aa) the allowance for households on behalf of which a State agency elects to use a standard utility allowance in accordance with regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources), including

(bb) the Secretary finds that the allowance for households on behalf of which a State agency elects to use a standard utility allowance in accordance with regulations in force as of June 1, 1982 (other than those relating to licensed vehicles and inaccessible resources), including

(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 license required for a 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 $1,600; and

(bb) the Secretary finds that the standard utility allowance is an increased cost to the Secretary.

(II) HOUSEHOLD ELECTION.—A State agency that has not made the use of a standard utility allowance mandatory for all households with qualifying utility costs—

(i) 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;

(ii) shall provide a household with a choice between the standard utility allowance and a deduction based on the actual utility costs of the household.

(III) AVAILABILITY OF ALLOWANCE TO RECIPIENTS OF ENERGY ASSISTANCE.—

(I) IN GENERAL.—Subject to clause (ii), if a State agency elects to use a standard utility allowance that reflects heating or cooling costs, the standard utility allowance shall be available to households receiving a payment, or on behalf of which a payment is received, under the Low-Income Home Energy Assistance Act of 1981 (42 U.S.C. 8621 et seq.) or other similar energy assistance program, as defined under section 16(b), that the household still incurs out-of-pocket heating or cooling expenses in excess of any assistance paid on behalf of the household to an energy provider.

(II) SEPARATE ALLOWANCE.—A State agency may use a separate standard utility allowance for households on behalf of which a payment described in clause (I) is made, but may not be required to do so.

(III) STATES NOT ELECTING TO USE SEPARATE ALLOWANCE.—A State agency that does not elect to use a separate allowance but makes a standard utility allowance available to households incurring heating or cooling expenses (other than a household described in clause (I)) may use a standard utility allowance in accordance with regulations promulgated by the Secretary.

V. VEHICLE ALLOWANCE.

(a) (BB) the Secretary finds that the standard utility allowance is an increased cost to the Secretary.

(b) the Secretary finds that the standard utility allowance is an increased cost to the Secretary.

(c) the Secretary finds that the standard utility allowance is an increased cost to the Secretary.

(d) the Secretary finds that the standard utility allowance is an increased cost to the Secretary.

(e) the Secretary finds that the standard utility allowance is an increased cost to the Secretary.

(f) the Secretary finds that the standard utility allowance is an increased cost to the Secretary.
SEC. 1022. VENDOR PAYMENTS FOR TRANSITIONAL HOUSING COUNTED AS INCOME.

Section 5(k)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(k)(2)) is amended—

(1) by striking "(F) and"; and

(2) by redesignating subparagraphs (G) and (H) as subparagraphs (F) and (G), respectively.

SEC. 1023. 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) by striking "six months" and inserting "1 year"; and

(2) in clause (ii), by striking "1 year" and inserting "2 years".

SEC. 1024. DISQUALIFICATION OF CONVICTED INMATES.

Section 6(b)(1)(iii) of the Food Stamp Act of 1977 (7 U.S.C. 2015(b)(1)(iii)) is amended—

(1) in subsection (B), by striking "or" at the end

(2) in subsection (C), by striking the period at the end and inserting "; or"; and

(3) by inserting after subsection (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. 1025. 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:

"(I) the duration of the ineligibility of the individual is 1 year;"

(b) CONFORMING AMENDMENT.—

(1) The second sentence of section 17(b)(2) of the Act (7 U.S.C. 2029(b)(2)) is amended by striking "(d)(1)(A)" and inserting "(d)(1)(A)(ii)".

(2) Section 20 of the Act (7 U.S.C. 2029) is amended by striking subsection (c) and inserting the following:

"(c) 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 or to be domiciled in a State that does not have a food stamp program.".

SEC. 1026. CARETAKER EXEMPTION.

Section 6(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(2)) is amended by striking subparagraph (B) and inserting the following:

"(B) in clause (ii), by striking "to which the individual is in compliance with a requirement under subparagraph (A) and"

"(ii) 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. 1027. 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";

"(B) by inserting "work," after "skills, training," and

"(C) by adding at the end the following:

"Each component of an employment and training program carried out under this section that is carried out through a statewide workforce development system, unless the component is not available locally through the statewide workforce development system.".

(b) CONFORMING AMENDMENT.—

Section 6(d)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(5)) is amended by striking "5% capitated person;".

SEC. 1028. CHILD SUPPORT.

(a) IN GENERAL.—Section 6(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(6)) is amended by striking "(d)(6)(1)(i)" and inserting "(d)(6)(1)(ii)".

(b) CONFORMING AMENDMENT.—

Section 6(d)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(7)) is amended by striking "(ii)" and inserting "(i)".

(c) CONFORMING AMENDMENT.—

Section 6(d)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(8)) is amended by striking "6(d)(1)(i)" and inserting "6(d)(1)(ii)".

(d) CONFORMING AMENDMENT.—

Section 6(d)(9) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(9)) is amended by striking "(ii)" and inserting "(i)".

SEC. 1029. MISCELLANEOUS.

(a) IN GENERAL.—Section 6(d)(10) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(10)) is amended by striking "(i)" and inserting "(iii)".

(b) CONFORMING AMENDMENT.—

Section 6(d)(11) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(11)) is amended by striking "(i)" and inserting "(ii)".

(c) CONFORMING AMENDMENT.—

Section 6(d)(12) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(12)) is amended by striking "(i)" and inserting "(ii)".

(d) CONFORMING AMENDMENT.—

Section 6(d)(13) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(13)) is amended by striking "(i)" and inserting "(ii)".

SEC. 1030. FOOD STAMP PROGRAM REQUIREMENTS.

(a) IN GENERAL.—Section 6(d)(14) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(14)) is amended—

(1) by striking "(A) in clause (i), by striking "with terms and conditions" and all that follows through "time of application"; and

(2) by redesigning subparagraphs (A) and (B) as subparagraphs (A) and (B), respectively.

(b) CONFORMING AMENDMENT.—

Section 6(d)(15) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(15)) is amended by striking "(i) and subsection (f) and inserting the following:

"(i) by striking "the component of the State agency existing under a State-wide workforce development system, unless the component is not available locally through the statewide workforce development system.".
(A) by striking "(G)(i) The State" and inserting "(G) The State"; and
(B) by striking clause (iii).

(b) in subparagraph (H), by striking "(H)(i) The Secretary" and all that follows through "(II) Federal funds" and inserting the following: "(i) Federal funds; and

(c) in subparagraph (I)(ii)(B), by striking "or, was in operation," and all that follows through "Social Security Act" and inserting the following: ", except that no such payment or reimbursement shall exceed the applicable Federal funds."
SEC. 1024. DISQUALIFICATION RELATING TO CHILD SUPPORT ARREARS.

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2016) as amended by sections 1028 through 1032, is amended by adding at the end the following:

"(E) a pregnant woman.

"(3) WORX REQUIREMENT.—Subject to the requirements of a work program for 20 hours or more per week, averaged monthly, the individual has been a member of any household during any 12-month period, the individual received food stamp benefits for not more than 4 months during which period the individual did not—

"(i) work 20 hours or more per week, averaged monthly;

"(ii) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(iii) participate in a program under section 20 or a comparable program established 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), other than a job search program or a job search training program.

"(4) TRANSITION PROVISION.—Prior to 1 year after the date of enactment of this Act, the term "preceding 12-month period" in section 6(e) of the Food Stamp Act of 1977, as amended by subsection (a), means the preceding period that begins on the date of enactment of this Act.

SEC. 1034. 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 by adding at the end the following:

"(B) implementation.—Each State agency shall implement an electronic benefit transfer system in which household benefits determined under section 8(a) or 26 are issued by a 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.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may procure and implement an electronic benefit transfer system in which household benefits determined under section 8(a) or 26 are issued by a 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.

"(D) DEFINITIONS.—In this paragraph—

"(1) has an unemployment rate of over 10 percent; or

"(2) has not 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.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may—

"(1) make a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(D) LIMITATION.—(1) A State agency may make a determination under subparagraph (A) if the determination is based on—

"(i) information provided by the Department of Labor; or

"(ii) information provided by the Department of Commerce; or

"(iii) information provided by the State employment service agency of the State.

"(2) A State agency shall be deemed to have made a determination under subparagraph (A) for purposes of this paragraph if the determination was made based on information provided by a State employment service agency of the State.

"(E) REPORT.—The Secretary shall report the basis for a waiver under paragraph (1) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(F) SUBSEQUENT ELIGIBILITY.—

"(1) IN GENERAL.—If a State agency waives the requirements of paragraph (2) to any group of individuals under that paragraph, the Secretary may—

"(i) make a determination that the area in which the individuals reside—

"(1) work 20 hours or more per week, averaged monthly;

"(2) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(3) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(2) LIMITATION.—During the succeeding 12-month period, the individual shall be eligible to participate in the food stamp program for not more than 4 months during which period the individual did not—

"(i) work 20 hours or more per week, averaged monthly;

"(ii) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(iii) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(3) TRANSITION PROVISION.—Prior to 1 year after the date of enactment of this Act, the term "preceding 12-month period" in section 6(e) of the Food Stamp Act of 1977, as amended by subsection (a), means the preceding period that begins on the date of enactment of this Act.

SEC. 1035. DISQUALIFICATION RELATING TO CONGRESSIONAL RECORD — HOUSE

"(i) has an unemployment rate of over 10 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.

"(C) STATE FLEXIBILITY.—Subject to paragraph (2), a State agency may make a determination that the area in which the individuals reside—

"(i) has an unemployment rate of over 10 percent; or

"(ii) does not have a sufficient number of jobs to provide employment for the individuals.

"(D) LIMITATION.—(1) A State agency may make a determination under subparagraph (A) if the determination is based on—

"(i) information provided by the Department of Labor; or

"(ii) information provided by the Department of Commerce; or

"(iii) information provided by the State employment service agency of the State.

"(2) A State agency shall be deemed to have made a determination under subparagraph (A) for purposes of this paragraph if the determination was made based on information provided by a State employment service agency of the State.

"(E) REPORT.—The Secretary shall report the basis for a waiver under paragraph (1) to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

"(F) SUBSEQUENT ELIGIBILITY.—

"(1) IN GENERAL.—If a State agency waives the requirements of paragraph (2) to any group of individuals under that paragraph, the Secretary may—

"(i) make a determination that the area in which the individuals reside—

"(1) work 20 hours or more per week, averaged monthly;

"(2) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(3) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(2) LIMITATION.—During the succeeding 12-month period, the individual shall be eligible to participate in the food stamp program for not more than 4 months during which period the individual did not—

"(i) work 20 hours or more per week, averaged monthly;

"(ii) participate in and comply with the requirements of a work program for 20 hours or more per week, as determined by the State agency; or

"(iii) participate in a program under section 20 or a comparable program established by a State or political subdivision of a State.

"(3) TRANSITION PROVISION.—Prior to 1 year after the date of enactment of this Act, the term "preceding 12-month period" in section 6(e) of the Food Stamp Act of 1977, as amended by subsection (a), means the preceding period that begins on the date of enactment of this Act.
not limited to credit or debit card services, automated teller machines, point-of-sale terminals, or access to on-line systems.

(C) CONSULTATION WITH THE FEDERAL RESERVE BOARD.—Before promulgating regulations or interpretations of regulations to carry out this paragraph, the Secretary shall consult with the Board of Governors of the Federal Reserve System to ensure that any final rule implementing this paragraph is compatible with electronic benefit transfer systems operated by other States.

SEC. 1035. 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 "$3".

SEC. 1036. BENEFITS ON RECERTIFICATION.

Section 8(c)(2)(D) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)(2)(D)) is amended by striking "of more than one month".

SEC. 1037. OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.

Section 9(b) of the Food Stamp Act of 1977 (7 U.S.C. 2018(b)) is amended by redesignating paragraph (3) and inserting the following:

"(3) OPTIONAL COMBINED ALLOTMENT FOR EXPEDITED HOUSEHOLDS.—A State agency may make an expedited allotment for a household residing in a center for the purpose of receiving 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 purposes of paragraph (1).

SEC. 1040. CONDITION PRECEDENT FOR APPROVAL OF RETAIL FOOD STORES AND WHOLESALE FOOD CONCERNS.

Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by adding at the end the following: "No retail food store or wholesale food concern of a type determined by the Secretary, based on factors that include size, location, and type of items sold, shall be approved to be authorized or reauthorized for participation in the food stamp program unless an authorized employee of the Department of Agriculture, a designee of the Secretary, or an official of the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.".

SEC. 1041. AUTHORITY TO ESTABLISH AUTHORIZATION PERIODS.

Section 8(a) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)) is amended by adding at the end the following:

"(3) AUTHORIZATION PERIODS.—The Secretary shall establish specific time periods during which authorization to accept and reauthorize benefits through an electronic benefit transfer system shall be valid under the food stamp program.".

SEC. 1042. 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 "or sales of electronic benefit transfers" after "submit information"; and

(2) by inserting after the first sentence the following:

"(3) 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 the Social Security Act to determine the allotment under the food stamp program."

SEC. 1038. FAILURE TO COMPLY WITH OTHER MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2018) is amended by striking subsections (c) and (d) and inserting the following:

"(c) REDUCTION OF PUBLIC ASSISTANCE BENEFITS.—

(1) IN GENERAL.—If the benefit of a household is 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 part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.), the State agency may determine the reduction by:

(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 the Social Security Act to determine the allotment under the food stamp program."

SEC. 1039. ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.

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:

"(c) ALLOTMENTS FOR HOUSEHOLDS RESIDING IN CENTERS.—

(1) IN GENERAL.—In the case of an individual who resides in a center for the purposes of a drug or alcoholic treatment program described in the last sentence of section 3(a), 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 purposes of paragraph (1).

SEC. 1044. OPERATION OF FOOD STAMP OFFICES.

Section 9(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding after the first sentence the following:

"(3) APPLICATION OR STATEMENT.—Notwithstanding any other provision of law, an application or statement required to be submitted under this section shall be filed within 15 days of the date the individual signs the application or statement.".

SEC. 1045. DIRECT PAYMENT TO REPRESENTATIVES OF HOUSEHOLD MEMBERS.

Section 9(f) of the Food Stamp Act of 1977 (7 U.S.C. 2018(f)) is amended by adding at the end the following:

"(2) REPRESENTATION.—A State agency may require an individual referred to in section 3(a) or 3(b) to designate a representative of the individual for the purposes of paragraph (1)."

SEC. 1046. MEANS-TESTED PUBLIC ASSISTANCE PROGRAMS.

Section 9(g) of the Food Stamp Act of 1977 (7 U.S.C. 2018(g)) is amended by adding after the first sentence the following:

"(7) MEANS-TESTED PROGRAM.—Notwithstanding any other provision of law, a means-tested program is limited to eligible individuals and 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; and

(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; and

(ii) shall develop an application containing the information necessary to comply with this Act; and

(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; and

(v) shall require that an adult representative of an adult applicant 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 otherwise legally eligible to receive food stamps under section 6.

(vi) shall provide a method of certifying and issuing coupons to eligible homeless individuals or families, in areas in which a substantial number of members of low-income households are homeless, which does not require the use of signatures provided and maintained by the State agency in electronic benefit transfer systems under the food stamp program or, if the State or local government designated by the Secretary has visited the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.

SEC. 1047. 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 "or sales of electronic benefit transfers" after "submit information"; and

(2) by inserting after the first sentence the following:

"(3) RULES AND PROCEDURES.—The regulations may require any State agency or food stamp program 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. 1048. WAITING PERIOD FOR STORES THAT 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:

"(4) WAITING PERIOD.—If the store or concern currently participating in the food stamp program is found to be not entitled to expedited service to applicants for, and participants in, the food stamp program, the store or concern for the purpose of determining whether the store or concern should be approved or reauthorized, as appropriate.

SEC. 1049. APPLICATION AND DENIAL PROCEDURES.

"(1) APPLICATION PROCEDURES.—Notwithstanding any other provision of law, a means-tested program is limited to eligible individuals and 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; and

(B) by striking paragraphs (2) and (3) of section 5(b) and inserting the following:

"(2) DENIAL AND TERMINATION.—Other than in a case of disqualification as a penalty for failure to comply with a public assistance program rule or regulation, no"
SEC. 1045. STATE EMPLOYEE AND TRAINING STANDARDS.

Section 11(e)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "that (A) the" and inserting "that—"

(A) the;

(2) by striking "Act: (B) the" and inserting "Act; and"

(B) the;

(3) in subparagraph (B), by striking "United States Civil Service Commission" and inserting "Office of Personnel Management"; and

(4) by striking subparagraphs (C) through (E).

SEC. 1046. 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:

(B) 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—

(u) the member—

(i) is fleeing to avoid prosecution, or custody or correctional 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 the following:

(1) "(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

(iii) the safeguards shall not prevent compliance with paragraph (16)";

SEC. 1047. EXPEDITED COURT 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";

(B) by inserting "and" at the end;

(2) by striking subparagraphs (B) and (C); and

(3) by redesignating subparagraph (D) as subparagraph (A) and inserting after it the following:

(4) in subparagraph (B), as redesignated by paragraph (3), by striking "(B), or (C)"

SEC. 1048. WITHDRAWAL 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 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. 1049. INCOME, ELIGIBILITY, AND IMMIGRATION STATUS VERIFICATION SYSTEM.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended—

(1) in subsection (d)(18), as redesignated by section 1044(d)(18), by striking "and including" and inserting "or any immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b-7)";

(2) in subsection (d)(19), as redesignated by section 1044(d)(19), by striking "and including" and inserting "or any immigration status verification system established under section 1137 of the Social Security Act (42 U.S.C. 1320b-7)"; and

SEC. 1050. DISQUALIFICATION OF RETAILERS WHO INTENTIONALLY SUBMIT FALSE APPLIcATIONS.

Section 12(b) of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended—

(1) in paragraph (2), by striking "and" at the end;

(2) in paragraph (3), by striking the period at the end and inserting "; and"

(3) by adding at the end the following:

(4) for a reasonable period of time to be determined by the Secretary, including permanent disqualification, on the knowing submission of an application for the approval or reauthorization to accept and redeem coupons that contains false information about a substantive matter that was a part of the application.

SEC. 1051. DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2021) is amended by adding at the end the following:

(g) DISQUALIFICATION OF RETAILERS WHO ARE DISQUALIFIED UNDER THE WIC PROGRAM.

(1) In general.—The Secretary shall issue regulations providing criteria for the disqualification under this Act of an approved retail food store and a wholesale food concern that is disqualified from disqualification under section 17 of the Child Nutrition Act of 1946 (42 U.S.C. 2956).

(2) TERMS.—A disqualification under paragraph (1)—

(A) shall be for the same length of time as the disqualification from the program referred to in paragraph (1); and

(B) may begin at a later date than the disqualification referred to in paragraph (1); and

(C) notwithstanding section 14, shall not be subject to judicial or administrative review.

SEC. 1052. 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:

(2) by striking "or a Federal income tax refund as authorized by section 3720A of title 31, United States Code";

(b) CONFORMING AMENDMENTS.—Section 11(e)(6) of the Act (7 U.S.C. 2020(e)(6)) is amended—

(1) by striking "(excluding claims and);

(2) by adding at the end the following: "(B) notwithstanding"; and

(3) by adding at the end the following:

(B) 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—

(u) the member—

(i) is fleeing to avoid prosecution, or custody or correctional 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 the following:

(1) "(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

(iii) the safeguards shall not prevent compliance with paragraph (16)";

SEC. 1053. EXPANDED CRIMINAL FORFEITURE FOR VIOLATIONS.

(a) FORFEITURE OF ITEMS EXCHANGED IN VIOLATION OF STAMP ACT;...
"(1) IN GENERAL.—In imposing a sentence on a person convicted of an offense in violation of subsection (b) or (c), a court shall order, in addition to any other sentence imposed under this subsection, that the person forfeit to the United States all property described in paragraph (2).

"(2) PROPERTY SUBJECT TO FORFEITURE.—All property, real and personal, used in a transaction or attempted transaction, to commit, or to facilitate the commission of, a violation (other than a misdemeanor) of subsection (b) or (c), or proceeds traceable to a violation of subsection (b) or (c), shall be subject to forfeiture to the United States under paragraph (1).

(3) INTEREST OF OWNER.—No interest in property seized to be forfeited under this subsection as the result of any act or omission established by the owner of the interest to have been committed or omitted without the knowledge or consent of the owner.

(4) PROCEEDS.—The proceeds from any sale of forfeited property and any monies forfeited under this subsection shall be used—

"(A) first, to reimburse the Department of Justice for any costs the Office incurred in the law enforcement effort resulting in the forfeiture; and

"(B) second, to reimburse the Department of Agriculture Office of Inspector General for any costs incurred in the law enforcement effort resulting in the forfeiture; and

(5) DUTIES OF SECRETARY.—In addition to the duties of the Secretary described in subsection (b), the Secretary shall carry out employment initiatives pursuant to this subsection:

"(i) procedures for—

"(I) involving the payment of the value of the allotment to the household if the household is eligible for the purpose of—

"(a) the work supplementation or support program—

"(I) cash assistance under this subsection; or

"(ii) changes in the procedures for—

"(A) new projects, or.

(6) AGREEMENT TO PROVIDE CASH ASSISTANCE.—No State may elect to provide cash assistance under this subsection:

"(A) if the State has not committed to the Secretary that the amount provided under this subsection exceeds the amount received under subsection (b); or

"(B) if the State has not conduct a project under subparagraph (A).

"(C) if the Secretary denies the waiver request and explains the grounds for the denial.

SEC. 1058. WAFER AUTHORITY.

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:

"(i) RESPONSE TO WAIVER REQUESTS.—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), 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 Senate and the Committee on Agriculture, Nutrition, and Forestry of the House of Representatives.

SEC. 1059. EMPLOYMENT INITIATIVES PROGRAM.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (b) and inserting the following:

"(b) EMPLOYMENT INITIATIVES PROGRAM—

"(1) ELECTION TO PARTICIPATE.—

"(A) IN GENERAL.—Subject to the other provisions of this subsection, a State may elect to carry out an employment initiatives program under this subsection.

"(B) REQUIREMENT.—A State shall be eligible for an employment initiatives program under this subsection only if not less than 50 percent of the households that received food stamp benefits during the summer of 1993 also received benefits under a State program funded under title A of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)), as amended by section 1058.

"(C) PROCEDURE.—

"(i) Cash assistance under this subsection shall be considered to be the payment of the value of the allotment that each household would be eligible to receive under this Act for the purpose for which the cash assistance is provided.

"(ii) Each household receiving cash benefits under this subsection shall receive an additional amount of 20 percent of the value of the allotment that each household would be eligible to receive under this Act for the purpose for which the cash assistance is provided.
initiatives program under paragraph (1) shall—

"(i) increase the cash benefits provided to each household under this subsection to not less than the amount provided for in the State or local sales tax law that may be collected on purchases of food by any household receiving cash benefits under this subsection, unless the Secretary determines that the basis of information provided by the State that the increase is unnecessary on the basis of the limited nature of the items subject to the State or local sales tax;

"(ii) by the cost of any increase in cash benefits required by clause (i);

"(3) ELIGIBILITY.—A household shall be eligible to receive cash benefits under paragraph (2) if an adult member of the household—

"(A) has worked in unsubsidized employment for not less than the preceding 90 days;

"(B) has earned not less than $350 per month from the employment referred to in subparagraph (A) for not less than the preceding 90 days;

"(C) is 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.); or

"(ii) was 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.) at the time the member first received cash benefits under this subsection and is no longer eligible for the State program because of one or more of the reasons;

"(D) is continuing to earn not less than $350 per month from the employment referred to in subparagraph (A); and

"(E) elects to receive cash benefits in lieu of food stamp benefits under this subsection.

"(4) EVALUATION.—A State that operates a program under this subsection for 2 years shall provide to the Secretary a written evaluation of the impact of cash assistance under this subsection. The State agency, with the concurrence of the Secretary, shall determine the content of the evaluation.

SEC. 1061. REAUTHORIZATION.

The first sentence of section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027a(a)(1)) is amended by striking "1991 through 1997" and inserting "1996 through 2002".

SEC. 1062. SIMPLIFIED FOOD STAMP PROGRAM.

(a) In the Food Stamp Act of 1977 (7 U.S.C. 2017 et seq.) is amended by adding at the end the following:

"SEC. 26. SIMPLIFIED FOOD STAMP PROGRAM.

"(a) IV. On Federal Costs.—In this section, the term ‘Federal costs’ includes only Federal costs incurred under section 17.

"(b) IN GENERAL.—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 (b), 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 (other than section 27);

"(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 (other than section 27);

"(D) the State plan under section 1062, is amended by adding at the end the following:

"(E) paragraphs (12), (16), (18), (20), (24), and (25) 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 18.

"(3) 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)), as amended by sections 1020(b), 1023(b), and 1044, is amended by adding at the end the following:

"(2) 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;

"(B) how the State agency will address the needs of households that experience high short-term fluctuations in relation to the incomes of the households;

"(C) a description of the method by which the State agency will carry out a quality control system under section 16(c).

"(c) FUNDING.—

"(1) Section 8 of the Act (7 U.S.C. 2017), as amended by section 1039, 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 (j); and

"(B) by redesignating subsections (j) through (l) as subsections (i) through (k), respectively.

SEC. 1063. STATE FOOD ASSISTANCE BLOCK GRANT.

(a) In general.—The Food Stamp Act of 1977 (7 U.S.C. 2017 et seq.), as amended by section 1062, is amended by adding at the end the following:

"SEC. 27. STATE FOOD ASSISTANCE BLOCK GRANT.

"(a) Definitions.—In this section:

"(1) Food assistance.—The term ‘food assistance’ means assistance that may be used only to obtain food, as defined in section 1066(b).

"(2) State.—The term ‘State’ means each of the 50 States, the District of Columbia, Guam, and the Virgin Islands of the United States.

"(b) Establishment.—The Secretary shall establish a program to make grants to States in accordance with this section to provide—

"(1) food assistance to needy individuals and families residing in the State;

"(2) for administrative costs incurred in providing the assistance;

"(c) Election.—

"(1) In general.—A State may annually elect to participate in the program established under subsection (a) and

"(A) has fully implemented an electronic benefit transfer system that operates in the entire State;

"(B) has a payment error rate under section 16(c) that is not more than 6 percent as announced most recently by the Secretary; or

"(C) has a payment error rate in excess of 6 percent and agrees to contribute non-Federal funds for the fiscal year of the grant, for
benefits and administration of the State's food assistance program, the amount determined under paragraph (2).

"(F) STATE MANDATORY CONTRIBUTIONS.—"

"(A) IN GENERAL.—In the case of a State that elects to participate in the program under paragraph (1)(C), the State shall agree to contribute, for a fiscal year, an amount equal to—"

"(i) the benefits issued in the State; multiplied by"

"(ii) the payment error rate of the State; minus"

"(B)(i) the benefits issued in the State; multiplied by"

"(ii) 6 percent."

"(G) DETERMINATION.—Notwithstanding sections 13 and 14, the calculation of the contribution shall be based solely on the determination of the Secretary of the payment error rate for the State.

"(H) CATA.—For purposes of implementing subparagraph (A) for a fiscal year, the Secretary shall use the data for the most recent fiscal year available.

"(I) ELECTION LIMITATION.—"

"(A) RE-ENTERING FOOD STAMP PROGRAM.—A State that elects to participate in the program under paragraph (1) may in a subsequent fiscal year elect to participate in the program and instead participate in the food stamp program in accordance with the other sections of this Act.

"(B) LIMITATION.—Subsequent to re-entering the food stamp program under subparagraph (A), the State shall only be eligible to participate in the food stamp program in accordance with the other sections of this Act and shall be required to elect to participate in the program established under subsection (b)."

"(J) PROGRAM EXCLUSIVE.—"

"(A) IN GENERAL.—A State that is participating under subsection (d) or (o) of section 6.

"(B) CONTRACT WITH FEDERAL GOVERNMENT.—Nothing in this section shall prohibit a State from contracting with the Federal Government for the provision of services or materials necessary to carry out a program under this section.

"(C) LEAD AGENCY.—A State desiring to receive a grant under this section shall designate an individual or family residing in the State, an agency or body authorized to make grants to an individual or family residing in the State, or an organization to act as the lead agency.

"(D) ELIGIBILITY.—No individual who is an alien shall be eligible to receive benefits under a State plan approved under subsection (e)(4) if the individual is not eligible under a State plan approved under subsection (e)."

"(E) NOTICE AND HEARINGS.—The State plan shall provide for the prevailing of any individual who would be disqualified from participating in the food stamp program under section 6(b).

"(F) DETERMINATION OF ELIGIBILITY.—The State plan shall provide for the eligibility of individuals or families receiving assistance under this section.

"(G) CONFIDENTIALITY.—The State plan shall provide that an individual or family receiving or preparing to receive assistance under this section shall be provided with notice of, and an opportunity for a hearing on, any action under this section that adversely affects the individual or family.

"(H) DISQUALIFICATION OF FLEEING FAMILIES.—The State plan shall provide for the disqualification of any individual who would be disqualified from participating in the food stamp program under section 6(b).

"(I) RECEIVING BENEFITS IN MORE THAN ONE JURISDICTION.—The State plan shall establish a system for the exchange of information with other States to verify the identity and receipt of benefits by recipients.

"(J) PRIVACY.—The State plan shall provide for safeguarding and restricting the use and disclosure of information about any individual or family receiving assistance under this section.

"(K) OTHER INFORMATION.—The State plan shall contain such other information as may be required by the Secretary.

"(L) APPROVAL OF APPLICATION AND PLAN.—The Secretary shall approve an application and State plan that satisfies the requirements of this section.

"(M) NO INDIVIDUAL OR FAMILY ENTITLEMENT TO ASSISTANCE.—Nothing in this section—"

"(i) entitles any individual or family to assistance under this section; or"

"(ii) limits the right of a State to impose additional limitations or conditions on assistance under this section.

"(N) REIMBURSEMENT.—The State plan shall provide that the income of an alien shall be determined in accordance with section 13(j).

"(O) MEANS TESTING.—The State plan shall provide that the income of an alien shall be determined in accordance with section 13(f).

"(P) EMPLOYMENT AND TRAINING.—"

"(1) WORK REQUIREMENTS.—No individual or household shall be eligible to receive benefits under a State plan approved under this section if the individual or household is not eligible to participate in the food stamp program under section 6(b) or (d) of section 6.

"(2) WORK PROGRAMS.—Each State shall implement an employment and training program in accordance with the terms and conditions of section 6(d)(4) for individuals under the program and shall be eligible to receive funding under section 6(h).

"(Q) ENFORCEMENT.—"
this section shall be used for administrative expenses.

"(5) PROVISION OF FOOD ASSISTANCE.—A State may provide food assistance under this section in a manner determined appropriate by the State, such as electronic benefit transfer limited to food purchases, coupons limited to food purchases, or direct provision of commodities.

"(6) QUALITY CONTROL.—Each State participating in the program established under this section shall maintain a system in accordance with which shall be subject to section 16(c), including sanctions and eligibility for incentive payment under section 16(c), adjusted for State specific characteristics under regulations issued by the Secretary.

"(7) NONDISCRIMINATION.—(I) IN GENERAL.—The Secretary shall not provide financial assistance for any program, project, or activity under this section if any person with responsibilities for the operation of the program, project, or activity discriminates with respect to the program, project, or activity because of race, religion, color, national origin, sex, or disability.

"(II) ENFORCEMENT.—The powers, remedies, and procedures set forth in title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.) may be used by the Secretary to enforce paragraph (I).

"(II) GRANT CALCULATION.—(A) IN GENERAL.—Except as provided in subsection (a), the total dollar value of all benefits issued under the food stamp program established under this Act by the State during each of fiscal years 1992 through 1994; and

"(B) THE greater of, determined by the Secretary—

"(i) the total dollar value of all benefits issued under the food stamp program established under this Act by the State during each of fiscal years 1992 through 1994; and

"(ii) the average per fiscal year of the total dollar value of all benefits issued under the food stamp program by the State during each of fiscal years 1992 through 1994; and

"(C) the greater of, determined by the Secretary—

"(i) the total amount received by the State for administrative costs under section 16(a) (not including any adjustment under section 16(d) for fiscal year 1994; or

"(ii) the average per fiscal year of the total amount received by the State for administrative costs under section 16(a) (not including any adjustment under section 16(d) for each of fiscal years 1992 through 1994;

"(D) INSUFFICIENT FUND.—If the Secretary finds that the total amount of grants to which States would otherwise be entitled for a fiscal year under subparagraph (A) will exceed the amount of funds that will be made available to provide the grants for the fiscal year, the Secretary shall reduce the grants made to States on a pro rata basis, to the extent necessary.

"(2) REDUCTION.—The Secretary shall reduce the grant of a State by the amount of the excess of the funds that would otherwise be provided to the State under subsection (c)(1)(C).

"(E) EMPLOYMENT AND TRAINING FUNDING.—Section 16(b) of the Act (7 U.S.C. 2025(a)), as amended by section 151(b) of the Food Stamp Act of 1977 (7 U.S.C. 2025), is amended by adding at the end thereof:

"(F) BLOCK GRANT STATES.—Each State electing to operate a program under section 27 shall—

"(A) receive the greater of—

"(i) the total dollar value of the funds received under paragraph (1) by the State during fiscal year 1994; and

"(ii) the average per fiscal year of the total dollar value of all funds received under para-

"(3) RESEARCH ON OPTIONAL STATE FOOD ASSISTANCE BLOCK GRANT.—The Secretary may conduct research on the effects and costs of the State food stamp program carried out under section 27.

"SEC. 1064. A STUDY OF THE USE OF FOOD STAMPS TO PURCHASE VITAMINS AND MINERALS.

The Secretary of Agriculture shall, in consultation with the National Academy of Sciences and the Center for Disease Control and Prevention, conduct a study of the use of food stamps to purchase vitamins and minerals. The study shall include an analysis of scientific findings on the efficacy of and need for vitamins and minerals, including the adequacy of vitamin and mineral intake in low income populations; the impact of nutritional gaps that may exist in the population as a whole or in a vulnerable segment of the U.S. population; the impact of nutritional improvements (including vitamin or mineral supplementation) on health status and health care costs for women of childbearing age, and for older persons, including the elderly; the cost of vitamin and mineral supplements commercially available; the purchasing habits of low income populations with regard to vitamins and minerals; and the impact on the food purchases of low income households; and the economic impact on agricultural commodities. The Secretary shall report the results of the study to the Committee on Agriculture, House of Representatives not later than December 15, 1996.

SEC. 1065. INVESTIGATIONS.

Section 11(a) of the Food Stamp Act of 1977 (7 U.S.C. 2035) is amended by adding at the end thereof:

"Regulations issued pursuant to this Act shall provide criteria for the finding of violations and the investigation and identification 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. 1066. FOOD STAMP ELIGIBILITY.

Section 6(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended by striking the third sentence and inserting the following:

"The State agency shall, at its option, consider supplemental sources 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. 1067. REPORT BY THE SECRETARY.

The Secretary of Agriculture may report to the Committee on Agriculture of the House of Representatives, not later than—

"(1) after the food stamp reforms in the Welfare and Medicaid Reform Act of 1996 and the ability of State and local governments to deal with people in poverty. The report must answer the questions:

"(2) DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from this title shall not be taken into account for purposes of section 522 of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(b) SUBTITLE B.—Assistance Distribution Programs

SEC. 1071. EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) DEFINITIONS.—Section 201A of the Emergency Food Assistance Act of 1983 (Public Law 98–7; 7 U.S.C. 201c note) is amended to read as follows:

"SEC. 201A. DEFINITIONS.

"(I) ADDITIONAL Commodities.—The term 'additional commodities' means commodities made available under section 214 in addition to the commodities made available under sections 202 and 203.

"(2) AVERAGE MONTHLY NUMBER OF UNEMPLOYED PERSONS.—The term 'average monthly number of unemployed persons' means the number of persons in the labor force who were unemployed at any time during the month for which such figure is computed.

"(3) ELIGIBLE RECIPIENT AGENCY.—The term 'eligible recipient agency' means a public or nonprofit organization—

"(i) an emergency feeding organization;

"(ii) a charitable institution (including a hospital and a retirement home, but excluding any institution or organization to the extent that the institution serves needy persons);

"(iii) a summer camp for children, or a child nutrition program providing food services;

"(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) DEFICIT REDUCTION.

It is the sense of the Committee on Agriculture of the House of Representatives that reductions in outlays resulting from this title shall not be taken into account for purposes of section 522 of the Balanced Budget and Emergency Deficit Control Act of 1985.

"(c) GRANTEE.—The term 'grantee' 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.

"(d) 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.
and inserting ‘subsection (a)’; and
paragraph (2)—
and (j);
of the Act (7 U.S.C. 612c note) is amended—
secured from other sources” and
Secretary under this Act and commodities
porting, and distributing to eligible recipient
the Act (7 U.S.C. 612c note) is amended—
be residing in the geographic location served
prised of needy persons; and
recipient agencies; and
administration
operation and administration every 4 years
lows:
214 and allocated to each State that are paid
commodities made available under section
ALLOCATED TO EACH STATE—The term value
retary (including the distribution and proc-
214 that are paid by the Sec-
commodities under subsection(a), the Secretary shall, to the extent prac-
subsection (b).
(2) by redesignating subsections (f) through
(7)
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"(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. 9802(2))."
(8) term ‘soup kitchen’ means a public or charitable institution
that, as an integral part of the normal ac-
tivities of the institution, maintains an es-
table facility or activities to provide food
 needy homeless persons on a regular basis.
(9) TOTAL VALUE OF ADDITIONAL COMMOD-
ITIES.—The term ‘total value of additional
commodities’ means the actual cost of all
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 Sec-
"
(10) STATE PLAN.—Section 202A of the Act (7
U.S.C. 612c note) is amended to read as fol-
"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—
(i) designate the State agency responsible for
administering the commodities received
under this Act;
(ii) set forth a plan of operation and ad-
ministration to expediently distribute
commodities under this Act;
(iii) set forth the standards of eligibility
for recipient agencies; and
(iv) set forth the standards of eligibility
for individual or household recipients of
commodities, which shall require—
(A) individuals or households to be com-
prised of needy persons; and
(B) individual or household members to be
residing in the geographic location served
by the plan.
(c) STATE ADVISORY BOARD.—The Sec-
retary shall encourage each State receiving
commodities under this Act to establish a
State advisory board consisting of represen-
tatives of all interested entities, both public
and private, in the distribution of
commodities received under this Act in the State:—
(1) authorization of appropriations for
ADMINISTRATIVE FUNDS.—Section 204(a)(1)
of the Act (7 U.S.C. 612c note) is amended—
2301. Abstinence education.
Sec. 2000. TABLE OF CONTENTS.
The table of contents of this title is as fol-
Sec. 1062 and 1063, is amend-
"SEC. 2301. Abstinence education.
Subtitle A—Involvement of Commerce Com-
pany in Federal government
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CHAPTER 1—ELIGIBILITY FOR FEDERAL
BENEFITS
Sec. 2101. Aliens who are not qualified aliens
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Sec. 2102. Five-year limited eligibility of
qualified aliens for Federal means-tested public benefit.
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Sec. 2112. Verification of eligibility for
Federal public benefits.
Subtitle C—Energy Assistance
Sec. 2201. Energy assistance.
Subtitle D—Abstinence Education
Sec. 2301. Abstinence education.
CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

SEC. 201. ALIENS WHO ARE NOT QUALIFIED IN GENERAL 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 2111) is not eligible for any Federal public benefit (as defined in subsection (c)).

(b) EXCEPTIONS.—Subsection (a) shall not apply to the following Federal public benefits:

(1) Emergency medical services under title XIX of the Social Security Act.

(2) Public health assistance for immunizations.

(3) 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) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—

(A) Emergency medical services under title XIX of the Social Security Act.

(B) 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.

SEC. 2103. NOTIFICATION.

Each agency that administers a program to which section 2101 or 2102 applies shall, to the extent possible, publicize any changes regarding eligibility for any such program pursuant to this subpart.

CHAPTER 2—GENERAL PROVISIONS

SEC. 2111. DEFINITIONS.

(a) IN GENERAL.—Except as otherwise provided in this part the terms "aliens" and "aliens who are not qualified aliens in general for Federal public benefits" have the same meaning given such terms in section 101(a) of the Immigration and Nationality Act.

(b) QUALIFIED ALIEN.—For purposes of this part the term "qualified alien" means an alien who, at the time the alien applies for a Federal public benefit, is—

(1) an alien who is lawfully admitted for permanent residence under section 245 of such Act for a period of at least 1 year,

(2) an alien who is lawfully admitted for permanent residence under section 245 of such Act on or after the date of the enactment of this Act for a period of at least 1 year,

(3) a refugee who is admitted to the United States under section 207 of such Act,

(4) an alien who is granted asylum under section 208 of such Act,

(5) an alien whose deportation is being withheld under section 241(h) of such Act, or

(b) an alien who is granted asylum under section 208 of such Act.

(c) ABSTINENCE EDUCATION.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)(1)) is amended—

(1) by striking subparagraph (D) and inserting "and" after the words "Fiscal years" and "and each fiscal year thereafter;" and

(2) by striking paragraph (2) and inserting the following new paragraph:

"(2) ABSTINENCE EDUCATION.—Section 501(a)(1) of such Act (42 U.S.C. 701(a)(1)) is amended—

(1) in subparagraph (B), by adding "and" at the end; and

(2) by adding at the end the following new subparagraph:

"(E) to provide abstinence education, and"

SEC. 2301. ABSTINENCE EDUCATION.

(a) INCREASES IN FUNDING.—Section 501(a) of the Social Security Act (42 U.S.C. 701(a)) is amended in the matter preceding paragraph (1)—

(1) by striking paragraph (2), (3), (4) and (5) and inserting "Fiscal year 1990 and each fiscal year thereafter;" and

(b) ABSTINENCE EDUCATION.—Section 501(a)(1) of such Act (42 U.S.C. 701(a)(1)) is amended—

(1) in subparagraph (B), by striking "and" and inserting "or" after the word "and;"

(2) in subparagraph (D), by adding "and" at the end; and

(3) by adding at the end the following new subparagraph:

"(E) to provide abstinence education, and at the option of the State, where appropriate, mentoring, counseling, and adult supervision to promote abstinence from sexual activity to the focus on those groups which are most likely to bear children out-of-wedlock;"

(c) ABSTINENCE EDUCATION DEFINED.—Section 205(h)(1) of such Act (42 U.S.C. 602(h)) is amended by adding at the end the following new paragraph:

"(5) ABSTINENCE EDUCATION.—For purposes of this section, the term "abstinence education" means an educational or motivational program which—

(1) has as its exclusive purpose, teaching the psychological, and health gains to be realized by abstinence from sexual activity; and

(2) teaches abstinence from sexual activity outside marriage as the expected standard of human sexual activity;"
Sec. 3303. Legislative accountability.

Sec. 3302. Sense of the Congress.

Sec. 3301. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This section may be cited as the "Child Care and Development Block Grant Amendments of 1996".

(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 a 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 consumers with 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. 3102. GOALS.

(a) General. Section 658A (42 U.S.C. 9801) is amended to read as follows:

"(a) General. Section 658A (42 U.S.C. 9801) is amended by adding at the end the following:

"(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 a 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 consumers with 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. 3101. SHORT TITLE AND REFERENCES.

(a) SHORT TITLE.—This section may be cited as the "Child Care and Development Block Grant Amendments of 1996".

(b) REFERENCES.—Except as otherwise expressly provided in this subchapter, any reference to an amended section (e), from section (e), from:

"(1) in the section heading by inserting "Child Care and Development Block Grant Amendments of 1996" after "Title";

"(2) in section 401 (42 U.S.C. 454) by substituting "the number of children residing in all

States applying for such assistance in the preceding fiscal year for carrying out such purpose to the extent that the Secretary determines that such assistance is appropriate to meet the needs of such children" after "such assistance for such fiscal year will be available for such purpose to the extent that the Secretary determines that such assistance is appropriate to meet the needs of such children";

"(3) in section 402 (42 U.S.C. 454a) by deleting everything preceding the period at the end of subsection (a) and inserting the following:

"(a) PAYMENTS.—The payment to States under this subchapter for such fiscal year shall be based on the formula used for determining the amount of Federal payments to States under section 403 (as such section was in effect before October 1, 1995).

"(b) MATCHING REQUIREMENT.—The

Secretary shall await States to make such

amounts available in the subsequent fiscal year and shall not use such funds to support the purposes set forth in subparagraph (A) and shall regard as part of such State's payment for fiscal year 1994 or 1995 (whichever is greater) equal the non-Federal share of the costs of services carried out by such States during such fiscal year, and after subtracting any amounts made available in such fiscal year for carrying out such purposes to the extent that the Secretary determines that such assistance is appropriate to meet the needs of such children residing in all States applying for such assistance for such fiscal year, the number of children residing in the United States in the second preceding fiscal year.

"(ii) Time of Determination and Distribution. —The determination of the Secretary under clause (i) shall be made not later than the end of the first quarter of the subsequent fiscal year. The distribution of amounts under clause (i) shall be made as soon as practicable thereafter and before the beginning of the fiscal year in which such determination is made. Any amount made available to a State from an appropriation for a fiscal year in accordance with this subparagraph for payment of child care assistance shall be regarded as part of such State's payment (as determined under this subparagraph) for the fiscal year in which the distribution is made.

"(D) Redetermination. —For grants under this section, there are appropriated—

"(A) the sum of the total amount required to be paid to the State under section 403 for fiscal year 1994 or 1995 (whichever is greater) with respect to amounts expended for child care under—

"(i) 402 (as such section was in effect before October 1, 1995); and

"(ii) 403 (as such section was in effect before October 1, 1995); or

"(B) 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);

"(E) $2,567,000,000 for fiscal year 2001; and

"(F) $2,717,000,000 for fiscal year 2002.
"(d) INDIAN TRIBES.—The Secretary shall reserve not more than 1 percent of the aggregate amount appropriated to carry out this section for payments to Indian tribes and tribal organizations.

"(b) USE OF FUNDS.—

"(I) IN GENERAL.—Amounts received by a State under this section shall only be used to provide child care assistance. Amounts received by a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, noted in section 658d(b) of the Social Security Act. This section shall be interpreted as applying to specific types of providers of child care services.

"(ii) IN SUBPARAGRAPH.—

"(A) A State that receives funds under this section shall be subject to requirements of this subparagraph, the State under such Act, and provide a detailed description of how such record is maintained and is made available; and

"(i) by striking "provide assurances" and inserting "certify";

"(ii) strike the first sentence, and shall provide a summary of the facts relied on for the State to determine that such rates are sufficient to ensure such access before the period; and

"(iii) strike the last sentence.

"SEC. 3106. LIMITATION ON STATE ALLOTMENTS.

"Section 658c(b)(1) (42 U.S.C. 9858c(b)(1)) is amended by striking "No" and inserting "Except as provided for in section 658o(c)(6), no".

"SEC. 3107. 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, including low-income families and families that 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 received by a State under this section shall be transferred to the lead agency under the Child Care and Development Block Grant Act of 1990, noted in section 658d(b) of the Social Security Act.

"SEC. 3108. LEAD AGENCY.

"Section 658d(b) (42 U.S.C. 9858b(b)) is amended—

"(I) in subparagraph (A)—

"(ii) in subparagraph (B)—

"(i) by striking "amended—" and inserting "certify"; and

"(ii) by striking "provide assurances" and inserting "certify";

"(iii) by inserting "and providing such assistance" and inserting "certify";

"(iv) by inserting the following:

"(i) by striking "provide assurances" and inserting "certify".

"(ii) in the sentence preceding the subsection, the term "administrative costs' shall be defined to include the costs of providing direct services; and

"(iii) by striking paragraph (2) (A), by striking "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 section of title IV of the Social Security Act, and provide a detailed description of how such record is maintained and is made available; and

"(iv) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(ii) by striking "provide assurances" and inserting "certify"; and

"(iii) by striking "provide assurances" and inserting "certify";

"(iv) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(iii) by striking "provide assurances" and inserting "certify";

"(iv) by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(v) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(vi) by striking "provide assurances" and inserting "certify"; and

"(vii) by striking paragraphs (H), (I), and (J) and inserting the following:

"(ii) in the sentence preceding the subsection, the term "administrative costs' shall be defined to include the costs of providing direct services; and

"(iii) by striking paragraph (2) (A), by striking "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 section of title IV of the Social Security Act, and provide a detailed description of how such record is maintained and is made available; and

"(iv) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(v) by striking "provide assurances" and inserting "certify"; and

"(vi) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(vii) by striking paragraphs (H), (I), and (J) and inserting the following:

"(ii) in the sentence preceding the subsection, the term "administrative costs' shall be defined to include the costs of providing direct services; and

"(iii) by striking paragraph (2) (A), by striking "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 section of title IV of the Social Security Act, and provide a detailed description of how such record is maintained and is made available; and

"(iv) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(v) by striking "provide assurances" and inserting "certify"; and

"(vi) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(vii) by striking paragraphs (H), (I), and (J) and inserting the following:

"(ii) in the sentence preceding the subsection, the term "administrative costs' shall be defined to include the costs of providing direct services; and

"(iii) by striking paragraph (2) (A), by striking "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 section of title IV of the Social Security Act, and provide a detailed description of how such record is maintained and is made available; and

"(iv) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(v) by striking "provide assurances" and inserting "certify"; and

"(vi) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";

"(vii) by striking paragraphs (H), (I), and (J) and inserting the following:

"(ii) in the sentence preceding the subsection, the term "administrative costs' shall be defined to include the costs of providing direct services; and

"(iii) by striking paragraph (2) (A), by striking "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 section of title IV of the Social Security Act, and provide a detailed description of how such record is maintained and is made available; and

"(iv) by striking paragraph (4) (A), by striking "meeting the needs of certain populations, including the needs of certain children, the needs of families who are receiving assistance under a State program under this paragraph, 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.";
(III) housing assistance;  
(IV) assistance under the Food Stamp Act of 1977; and  
(V) 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 child care, center care, or a child care center care);  
(viii) whether the child care provider involved was a relative;  
(ix) the cost of child care for such families;  
(x) the average hours per week of such care;  

for the period for which such information is required to be submitted.

SEC. 3107. REPORT 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.

SEC. 3108. SAMPLING.—The Secretary may disapprove the information collected by a State under this paragraph if the State uses sampling methods to collect such information.

SEC. 3109. SURVEY OF CHILD CARE.—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 638P(b);  
(B) the monthly cost of child care services, and the portion of such cost that is paid for with assistance provided under this subchapter as separately identified based on the type of child care services provided;  
(C) the number of payments made by the State through vouchers, contracts, cash, and disregard under public benefit programs, listed by the type of child care services provided;  
(D) the manner in which consumer educational 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.

SEC. 3112. REPORT TO THE SECRETARY.  
Section 658L (42 U.S.C. 9858l) is amended—

(1) by striking "1998" and inserting "1997";  
(2) in subsection (b), by striking "any agency administering activities that receive" and inserting "the State that receives"; and  
(3) in paragraph (c), by striking "entitles" and inserting "entitled".

SEC. 3113. ALLOTMENTS.  
Section 658O (42 U.S.C. 9858m) is amended—

(1) in subsection (a)—  
(A) (i) by striking "POSSSESSIONS" and inserting "POSESSIONS";  
(B) in paragraph (1), by striking "and" and inserting "or"; and  
(C) in subsection (c), by striking "percent" and inserting "1 percent";  
(2) in subsection (c), by striking "our" and inserting "out"; and  
(3) 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 under subparagraph (C), upon a determination by the Secretary that adequate facilities are not otherwise available to an Indian tribe or tribal organization to enable the tribe to substantially reduce the number of out of school 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 subchapter for construction or renovation if such amounts 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 calendar 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 administration of requests under this paragraph.; and  
(3) in subsection (e), by adding at the end thereof the following new paragraph:

"(6) INDIAN 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. 3114. DEFINITIONS.  
Section 658P (42 U.S.C. 9858p) is amended—

(1) by striking the first sentence and 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 provider";  
(2) by striking paragraph (3);  
(3) in paragraph (4)(B), by striking "75 percent" and inserting "85 percent";  
(4) in paragraph (5)(B), by striking "great grandchild, sibling (if such provider lives in a separate residence)," after "grandchild," and inserting "and;  
(5) by striking paragraph (10);  
(6) in paragraph (13)—  
(A) by inserting after "Samoa, " and inserting "and;  
(B) by striking "and, the Trust Territory of the Pacific Islands"; and  
(7) in paragraph (14)—  
(A) by striking "The term" and inserting the following:  
(B) after the end thereof the following new subparagraph:

"(A) IN GENERAL.—The term; and  
(B) by adding at the end thereof the following new paragraph:

"(B) OTHER DEFINITIONS.—Such term includes a Native Hawaiian Organization, as defined in section 409(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. 3115. REPEALS.  
(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Amendments of 1986 (42 U.S.C. 10061-10095) is repealed.  
(b) STATE DEPENDENT CARE DEVELOPMENT GRANTS ACT.—Subchapter E of chapter 8 of title I of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 9871-9877) is repealed.  
(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title I of the Native Hawaiian Education Act of 1996, as amended by Public Law 103-382 (108 Stat. 3809 et seq.), is amended—  
(i) in section 10413(a) by striking paragraph (4), and  
(ii) by striking and inserting "subsection (g), and  
(iii) by striking paragraph (C).  
(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (Public Law 103-382; 108 Stat. 3754) is repealed.  
(e) CERTAIN CHILD CARE PROGRAMS UNDER THE SOCIAL SECURITY ACT.—  
(1) AFDC AND TRANSITIONAL CHILD CARE PROGRAMS.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended by striking subsection (g).  
(2) AT-RISK CHILD CARE PROGRAM.—  
(A) AUTHORIZATION.—Section 402 of the Social Security Act (42 U.S.C. 602) is amended by striking subsection (l).  
(B) FUNDING PROVISIONS.—Section 403 of the Social Security Act (42 U.S.C. 603) is amended by striking subsection (n).  
SEC. 3116. EFFECTIVE DATE.  
(a) IN GENERAL.—Except as provided in subsection (b), this subtitle and the amendments made by this subtitle shall take effect on October 1, 1997.  
(b) EXCEPTION.—The amendment made by section 3303(a) shall take effect on the date of enactment of this Act.

Subtitle B—Child Nutrition Programs  
CHAPTER 1—NATIONAL SCHOOL LUNCH PROGRAM  
SEC. 3201. STATE DISEMBUSSMENT TO SCHOOLS.  
(a) IN GENERAL.—Section 8 of the National School Lunch Act (42 U.S.C. 1759) 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":  
(b) IN GENERAL.—Except in the third sentence, by striking "Nothing" and all that follows through "educational agency to" and inserting "The State educational agency may":  
(c) in the third sentence, by striking the fourth and fifth sentences, as amended by paragraph (1), as subsections (a) through (g), respectively;  
(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 "Such food costs" and inserting "Use of funds paid to States".

DEPARTMENT OF EDUCATION—  
Section 12(d) of the Act (42 U.S.C. 1760(d) is amended by adding at the end thereof 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) by 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. 3202. 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—

(I) in paragraph (2)—

(A) by striking "(D) Lunches" and inserting "Lunches";

(B) by striking subparagraph (B); and

(C) by redesigning clauses (i) and (ii) as subparagraphs (A) and (B), respectively;

(2) in paragraph (3)—

(A) by redesigning paragraph (4) as paragraph (3);

(B) by redesigning paragraphs (A) and (B), respectively;

(C) in subparagraph (A)(ii) (as redesignated by subparagraph (B)), by striking "paragraph (C)" and inserting "paragraph (3)";

and inserting "paragraph (3)".

(ii) use of resources.—Section 9 of the Act is amended by striking "subsection (b)(2)(C)" and inserting "paragraph (3)"

(iii) 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 9 of the Act as amended by striking (C) and inserting "paragraph (3)".

(iv) use of resources.—Section 9(c) of the Act is amended by striking "subsection (b)(2)(C)" and inserting "paragraph (3)"

(b) ELIGIBILITY REQUIREMENTS.—Section 9(b) of the Act is amended—

(I) in paragraph (1)—

(A) by striking subparagraph (A); and

(B) by redesigning subparagraphs (B) and (C) as subparagraphs (A) and (B), respectively;

(2) in paragraph (2), by striking the third sentence; and

(3) in paragraph (3), by striking "paragraph (2)(C)" and inserting "paragraph (2)(B)"

(c) ELIGIBILITY GUIDELINES.—Section 9(b) of the Act is amended by striking the fourth, fifth, and sixth sentences.

(d) CONFORMING AMENDMENT.—The last sentence of section 9(d)(1) of the Act is amended by striking the second, fourth, and sixth sentences.

(e) NUTRITIONAL INFORMATION.—Section 9(f) of the Act is amended—

(I) by striking paragraph (1);

(2) by striking "(C)";

(3) by redesigning subparagraphs (A) through (D) as paragraphs (I) through (4), respectively;

(4) by striking paragraph (I), as redesignated by paragraph (3), and inserting the following:

"(I) NUTRITIONAL REQUIREMENTS.—Except as provided in paragraph (2), not later than the first day of the 1998-1999 school year, schools participating in the school lunch or school breakfast program shall serve lunches and breakfasts under the program that—

(I) is 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 1980 (7 U.S.C. 5341); and

(II) provide, on the average over each week, at least—

(I) with respect to school lunches, ½ 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.

(II) in paragraph (3), as redesignated by paragraph (3)—

(A) by redesigning clauses (i) and (ii) as subparagraphs (A) and (B), respectively; and

(B) by redesigning subparagraphs (A) and (B), respectively; and

(C) in subparagraph (A)(ii) (as redesignated by subparagraph (B)), by striking "paragraph (C)" and inserting "paragraph (3)".

(f) USE OF RESOURCES.—Section 9 of the Act is amended by striking paragraph (2)(D) as paragraphs (E) through (H), respectively; and

(g) 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 9 of the Act as amended by striking (C) and inserting "paragraph (3)".

(h) PAYMENT RATES.—Section 12(f) of the Act is amended by striking "subsection (m)" and inserting "subsection (n)"

(i) ADMINISTRATION OF PROGRAM.—Section 13(a) of the National School Lunch Act (42 U.S.C. 1761(a)) is amended—

(I) in the first sentence, by striking "initi- ate, maintain, and expand" and inserting "initiate and maintain"; and

(II) by inserting "the Trust Territory of the Pacific Islands".

(j) SERVICE INSTITUTIONS.—Sections 13(b) of the Act is amended by striking "(B)" and all that follows through the end of paragraph (2) and inserting the following:

"(I) SERVICE INSTITUTIONS—

"(II) PAYMENTS—

"(III) IN GENERAL.—Except as otherwise provided in this paragraph, payments to service institutions shall equal the full cost of service operations (which cost shall include the costs of obtaining, preparing, and serving food, but shall not include administrative costs)."

(k) MAXIMUM AMOUNTS.—Subject to subparagraph (C), payments to any institution under subparagraph (A) shall not exceed—

(I) $1.82 for each lunch and supper served;

(II) $0.13 for each breakfast served; and

(III) $0.46 for each meal supplement served.

(l) ADJUSTMENTS.—Amounts specified in subparagraph (B) shall be adjusted on January 1, 1997, and each January 1 thereafter to the nearest lower cent increment in accordance with the changes for the 12-month period ending the preceding November 30 in the series of Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor. Each adjustment shall be made on the unrounded adjustment for the prior 12-month period.

(m) ADMINISTRATION OF SERVICE INSTITUTIONS.—Section 13(b)(2) of the Act is amended—

(I) in the first sentence, by striking "four meals" and inserting "three meals, or 2 meals and 1 supplement"; and

(II) by striking the second sentence.

(n) REIMBURSEMENTS.—Section 13(c)(2) of the Act is amended—

(I) by striking subparagraph (A);

(II) by striking paragraph (2), as redesignated in the first sentence—

(A) by striking "(A)"; and

(B) by striking such higher education institutions; and

(III) by striking "and such higher education institutions; and"

(IV) 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

(IV) by striking the second sentence.

The higher education institutions referred to in paragraph (D) shall be considered eligible because of this paragraph.
to in the preceding sentence shall be eligible to participate in the program under this paragraph without application:

(3) in subparagraph (C)(iii), by striking "severe

(4) by redesignating subparagraphs (B) through (E), as so amended, as subparagraphs (A) through (D), respectively.

(c) CASH PROJECTIONS.—Section 13(e) of the Act is amended—

(1) by redesigning 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 "after any service institution";

(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 so amended, as paragraphs (1) through (4), respectively.

(2) by redesigning subparagraph (C) of the Act amended—

(1) by redesigning 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 "after any service institution";

(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 so amended, as paragraphs (1) through (7), respectively.

(2) by redesigning subparagraph (C) of the Act amended—

(1) by redesigning 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 "after any service institution";

(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 so amended, as paragraphs (1) through (7), respectively.

(2) by redesigning subparagraph (C) of the Act amended—

(1) by redesigning 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 "after any service institution";

(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 so amended, as paragraphs (1) through (7), respectively.

(2) by redesigning subparagraph (C) of the Act amended—

(1) by redesigning 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 "after any service institution";

(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 so amended, as paragraphs (1) through (7), respectively.

(2) by redesigning subparagraph (C) of the Act amended—

(1) by redesigning 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 "after any service institution";

(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 so amended, as paragraphs (1) through (7), respectively.

(2) by redesigning subparagraph (C) of the Act amended—

(1) by redesigning 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 "after any service institution";

(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 so amended, as paragraphs (1) through (7), respectively.
supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines established by the Secretary under section 9, the family or group day care home shall be provided reimbursement factors set by the Secretary in accordance with clause (i)(III) of subparagraph (A) of this paragraph.

(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.—

(ii) RESERVATION.—From amounts made available under this section, the Secretary shall reserve $5,600,000 of the amount made available for fiscal year 1997.

(ii) PURPOSE.—The Secretary shall use the reimbursement factors prescribed under item (bb) to provide grants to States for the purpose of providing—

(aa) assistance, including grants, to family and group day care home sponsoring organizations and other State or local governmental entities for securing and providing training, automated data processing assistance, and other assistance for the staff of the sponsoring organizations;

(bb) training and other assistance to family and group day care homes in the implementation of the amendment to subparagraph (A) set forth by section 3208(a)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (i)(II) (i) $30,000 in base funding to each State; and

(ii) any remaining amount among the States in proportion to the number of family day care homes participating in the program in a State during fiscal year 1995 as a percentage of the number of all family day care homes participating in the program during fiscal year 1995.

(iii) RETENTION OF FUNDS.—Of the amount of funds made available to a State for fiscal year 1997 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 regarding the number of family day care homes participating in the program for which the data are available showing which areas in the State meet the requirements of subparagraph (A) only if the State agency administering the program under this section, the family or group day care home sponsoring organization, shall use the most current available data at the time of the determination.

(ii) DURATION OF DETERMINATION.—For purposes of this section, a determination that a family or group day care home is located at any time in a tier I family or group day care home (as the term is defined in subparagraph (A)(ii)(II)) shall be in effect for 3 years (unless the determination is made on the basis of census data which indicate that 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).

(E) REIMBURSEMENT.—Section 17(f)(1) of the Act is amended—

(i) in paragraph (3)—

(A) in subparagraph (B), by striking the third and fourth sentences; and

(B) in subparagraph (C)—

(i) by striking "(i)" and

(ii) by striking clause (ii); and

(ii) in paragraph (4), by striking "shall" and inserting "may" in the first sentence.

(f) NUTRITIONAL REQUIREMENTS.—Section 17(g)(1) of the Act is amended—

(i) by striking "in the manner prescribed in subparagraph (A)" and

(ii) by striking "the term "day care center" shall include day care services for chronically impaired disabled persons" and inserting "day care center for chronically impaired disabled persons"; and

(III) by striking "day care home for chronically impaired disabled persons" and inserting "day care center for chronically impaired disabled persons"; and

(g) MODIFICATION OF ADULT CARE FOOD PROGRAM—Section 17(f)(l) of the Act is amended—

(i) by striking "adult" and inserting "day care center for chronically impaired disabled persons"; and

(ii) by striking "adult care food program" by striking "day care center for chronically impaired disabled persons" and inserting "day care center for chronically impaired disabled persons"; and

(h) UNNEEDED PROVISION.—Section 17 of the Act is amended by striking subsection (g) and inserting the following:

"(A) 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 States in developing plans to fulfill the requirements of this subsection.

(B) FUNDING FOR TRAINING AND TECHNICAL ASSISTANCE—Funds made available under section 17(m) of the Act are amended by striking "at all times" and inserting "at any reasonable time.

(C) CONSOLIDATION OF ADULT CARE FOOD PROGRAM.—Section 17(o) of the Act is amended—

(i) 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"; and

(ii) in clause (ii)—

(A) by striking "adult day care center" and inserting "day care center for chronically impaired disabled persons"; and

(B) by striking "persons 60 years of age or older"; and

(2) in paragraph (2), by striking subparagraph (A)—

(i) by striking "adult" and inserting "day care center for chronically impaired disabled persons"; and

(ii) in clause (I)—

(A) by striking "adult" and inserting "day care center for chronically impaired disabled persons"; and

(B) by striking "adult care food program" and inserting "day care services for chronically impaired disabled persons"; and

(k) UNNEEDED PROVISION.—Section 17 of the Act is amended by striking subsection (q) and inserting the following:

"(l) GRANTS TO STATES TO PROVIDE ASSISTANCE TO FAMILY OR GROUP DAY CARE HOMES.—Section 17(f)(3) of the Act is amended—

(i) by striking "day care home" and inserting "day care center for chronically impaired disabled persons"; and

(ii) by striking "day care home" and inserting "day care center for chronically impaired disabled persons"; and

(3) by striking paragraph (1), by striking "adult" and inserting "day care center for chronically impaired disabled persons"; and
(2) Section 18(e)(3)(B) of the Act (42 U.S.C. 1773(b)(3)(B)) is amended by striking "and adult".

(3) Section 25(b)(1)(C) of the Act (42 U.S.C. 1778(b)(1)(C)) is amended by striking "and adult".

(i) Section 30 of the Healthy Meals for Children Act of 1994 (Public Law 103-148) is amended by striking "and adult".

(ii) Section 121(a)(1) of the National School Lunch Act (42 U.S.C. 1766(d)(1)) is amended by striking "and adult".

(4) Effective date.—(i) In general.—Except as provided in paragraphs (a) through (d), the amendments made by this section shall become effective on the date of enactment of this Act.

(ii) Improved targeting of day care home reimbursements.—The amendments made by paragraphs (a) through (d) of subsection (c) and (i) of subsection (d) shall become effective on July 1, 1997.

(5) Regulations.—(A) Interim regulations.—Not later than January 1, 1997, the Secretary shall issue interim regulations to implement—

(i) the amendments made by paragraphs (1), (3), and (4) of subsection (e); and

(ii) section 17(b)(3)(C) of the National School Lunch Act (42 U.S.C. 1766(b)(3)(C)).

(B) Final regulations.—Not later than July 1, 1997, the Secretary shall issue final regulations to implement the provisions of law referred to in subparagraph (A).

(c) Study of impact of the amendments made by this section; and

(ii) regulations to implement the provisions of law referred to in subparagraph (A).

(d) 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.

(e) Eliminating projects.—Section 18 of the Act is amended—

(i) in paragraph (1) —

(A) in subparagraph (A)—

(i) by striking "(A)"; and

(ii) by striking "and shall" and inserting "may"; and

(B) by striking subparagraph (B); and

(ii) by striking paragraph (5) and inserting the following:

"(c) Authorizing applications.—Section 17B(d)(1)(A) of the Act (42 U.S.C. 1778(d)(1)(A)) is amended by striking "(c)" and inserting "(b)".

(f) Study of impact of the amendments made by paragraphs (3) and (4), respectively.

Sec. 3218. Reduction of Paperwork.

Section 19 of the National School Lunch Act (42 U.S.C. 1765a) is repealed.

Sec. 3219. Distribution on Income Eligibility.

Section 23 of the National School Lunch Act (42 U.S.C. 1768d) is repealed.


Section 24 of the National School Lunch Act (42 U.S.C. 1768e) is repealed.

Sec. 3221. Information Clearinghouse.

Section 26 of the National School Lunch Act (42 U.S.C. 1768f) is repealed.

Chapter 2—Child Nutrition Act of 1966

Sec. 3221. Special Milk Program.

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".

Sec. 3222. 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 of the following:

"(E) FREE AND REDUCED PRICE POLICY STATEMENT.—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, shall not be sufficient cause for requiring the school to submit a policy statement.

Sec. 3223. 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. 1773a(1)) is amended—

(i) by striking paragraph (A); and

(ii) by striking subparagraph (B).

(b) Expansion of program; startup and expansion costs.—

(i) In general.—Section 4 of the Act is amended by striking subsections (f) and (g).

(ii) Effective date.—The amendments made by paragraph (i) shall become effective on October 1, 1996.

Sec. 3304. State Administrative Expenses.

For use of funds for commodity distribution administration; studies.—Section 7 of the Child Nutrition Act of 1966 (42 U.S.C. 1776) is amended—

(i) by striking subsections (e) and (f); and

(ii) by redesignating subsections (g), (f), and (e) as subsections (d), (e), and (f), respectively.

(b) Approval of changes.—Section 7(e) of the Act, as so redesignated, is amended—

(i) by striking "each year an annual plan" and inserting "the initial fiscal year a plan"; 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."

Sec. 3401. Regulations.

Section 10(b) of the Child Nutrition Act of 1966 (42 U.S.C. 1778(b)) is amended—

(i) in paragraph (1), by striking "(1)"; and

(ii) by striking paragraphs (2) through (4).

Sec. 3402. 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. 3403. Miscellaneous Provisions and Definitions.

Section 15 of the Child Nutrition Act of 1966 (42 U.S.C. 1784) is amended—

(i) in paragraph (1), by striking "the Trust Territory of the Pacific Islands" and inserting "the Commonwealth of the Northern Mariana Islands"; and

(ii) 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. 3404. Accounts and Records.

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. 3405. 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. 1778(b)) is amended—

(i) in paragraph (15)(B)(ii), by inserting "of more than 365 days after "accommodation"; and

(ii) in paragraph (15)—

(A) in subparagraph (A), by adding "and" at the end; and

(B) by striking paragraph (B), by striking "and" and inserting a period; and

(C) by striking subparagraph (C).

(b) Secretary's Promotion of WIC.—Section 17(e) 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—

(i) in the last 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";

(ii) in paragraph (2), by striking the third sentence;
(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 "revised program participant characteristics"; and

(2) by striking paragraph (8).

(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); and

(ii) in subparagraph (C)—

(I) in clause (i), by striking "(i)"; and

(II) by striking clauses (ii) through (iv), (vi), and (xi) and inserting "Secretary may";

(iii) by redesigning subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;

(iv) 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);"

(v) in subparagraph (B)(i), as so redesignated, by striking "subparagraph (B)" each place it appears and inserting "subparagraph (A)";

(vi) in subparagraph (C)(iii), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)";

(vii) in paragraph 10(B)—

(i) in clause (i), by striking "the semicolon and inserting "; and

(ii) in clause (ii), by striking "; and" and inserting a period; and

(iii) by striking clause (iii); and

(viii) by redesigning clauses (ix), (x), (xii), (xiii), and (xiv) as clauses (ix) through (xv).

(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(q) of the Act is amended by striking the first sentence of paragraph (2)(A).

(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) 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) shall be

(A) 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. 3230. CASH GRANTS FOR NUTRITION EDUCATION.

Section 18 of the Child Nutrition Act of 1966 (42 U.S.C. 1787) is repealed.
CHAPTER 3—MISCELLANEOUS PROVISIONS

SEC. 3241. COORDINATION OF SCHOOL LUNCH, SCHOOL BREAKFAST, AND SUMMER FOOD SERVICE PROGRAMS.

(a) COORDINATION.—

(1) IN GENERAL.—The Secretary of Agriculture shall develop proposed changes to the regulations and the school lunch program under the National School Lunch Act, the summer food service program under section 13 of that Act, and the school breakfast program under section 4 of the Child Nutrition Act of 1966, for carrying out the requirements of this section relating to school districts.

(2) CONTENT.—For the purpose of this section, the term "Secretary" means the Secretary of Health and Human Services.

(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $150,000 for each of fiscal years 1997 through 2000.

SEC. 3242. SENSE OF THE CONGRESS.

It is the sense of the Congress that this title, and the amendments made by this title, should not result in an increase in the number of children who are hungry, homeless, poor, or medically uninsured.

SEC. 3203. LEGISLATIVE ACCOUNTABILITY.

In the event that this title, or the amendments made by this title, should result in an increase in the number of children in the United States who are hungry, homeless, poor, or medically uninsured by the end of the fiscal year 1997, the Congress—

(1) shall revisit the provisions of this title, and the amendments made by this title, which caused such increase; and

(2) shall, as soon as practicable thereafter, pass legislation that stops the continuation of such increase.

TITLE IV—COMMITTEE ON WAYS AND MEANS

SEC. 4001. SHORT TITLE.

This title may be cited as the "Personal Responsibility and Work Opportunity Act of 1996."
Sec. 4377. Enforcement of orders for health
Sec. 4372. Financial
Sec. 4367. Reporting arrearages to credit bu-
Sec. 4364. Voiding of fraudulent transfers.
Sec. 4363. Enforcement of child support obli-
Sec. 4362. Authority to collect support from
Sec. 4361. Internal Revenue Service collec-
Sec. 4345. Technical assistance.
Sec. 4346. Reports and data collection by the
Sec. 4347. Child support delinquency pen-

CHAPTER 6—ESTABLISHMENT AND
MODIFICATION OF SUPPORT ORDERS

Sec. 4351. Simplified process for review and adjustment of child support or-
Sec. 4352. Furnishing consumer reports for certain purposes relating to child support.
Sec. 4353. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

CHAPTER 7—ENFORCEMENT OF SUPPORT ORDERS

Sec. 4361. Internal Revenue Service collection of arrearages.
Sec. 4362. Authorizing recipients to collect support from Federal employees.
Sec. 4363. Enforcement of child support obligations of members of the Armed Forces.
Sec. 4364. Voiding of fraudulent transfers.
Sec. 4365. Work requirement for persons owing past-due child support.
Sec. 4366. Definition of support order.
Sec. 4367. Reporting arrearages to credit bureaus.
Sec. 4368. Lien.
Sec. 4369. State law authorizing suspension of licenses.
Sec. 4370. Denial of passports for nonpayment of child support.
Sec. 4371. International support enforcement.
Sec. 4372. Financial institution data matches.
Sec. 4373. Enforcement of orders against paternoal or maternal grand-parents in cases of minor parents.
Sec. 4374. Nonenforceability in bankruptcy of certain debts for the support of a child.

CHAPTER 8—MEDICAL SUPPORT

Sec. 4376. Correction to ERISA definition of medical child support order.
Sec. 4377. Enforcement of orders for health care coverage.

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

Sec. 4381. Grants to States for access and visitation programs.

CHAPTER 10—EFFECTIVE DATES AND CONFORMING AMENDMENTS

Sec. 4391. Effective date of amendments.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

Sec. 4400. Statements of national policy concerning welfare and immigration.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

Sec. 4401. Aliens who are not qualified aliens ineligible for Federal public benefits.
Sec. 4402. Limited eligibility of qualified aliens for certain Federal programs.
Sec. 4403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
Sec. 4404. Notification and information reporting.

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

Sec. 4411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.
Sec. 4412. State authority to limit eligibility of qualified aliens for State public benefits.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

Sec. 4421. Federal attribution of sponsor's income and resources to alien.
Sec. 4422. Authority for States to provide for attribution of sponsors income and resources to the alien with respect to State programs.
Sec. 4423. Requirements for sponsor's affidavit of support.

CHAPTER 4—GENERAL PROVISIONS

Sec. 4431. Definitions.
Sec. 4432. Verification of eligibility for Federal public benefits.
Sec. 4433. Statutory construction.
Sec. 4434. Communication between State and local government agencies and the Immigration and Naturalization Service.
Sec. 4435. Qualifying quarters.

CHAPTER 5—CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING

Sec. 4441. Conforming amendments relating to assisted housing.

CHAPTER 6—EARNED INCOME CREDIT DENIED TO UNAUTHORIZED EMPLOYEES

Sec. 4451. Earned income credit denied to individuals not authorized to be employed in the United States.

Subtitle E—Reform of Public Housing

Sec. 4601. Fraud under means-tested welfare and public assistance programs.

Subtitle F—Child Protection Block Grant Programs and Foster Care, Adoption Assistance, and Independent Living Programs

CHAPTER 1—CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

SUBCHAPTER A—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

Sec. 4701. Establishment of program.
Sec. 4702. Conforming amendments.

SUBCHAPTER B—FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

Sec. 4711. Conforming amendments to part E of title IV.

SUBCHAPTER C—MISCELLANEOUS

Sec. 4721. Secretarial submission of legislative proposal for technical and conforming amendments.
Sec. 4722. Sense of the Congress regarding timely adoption of children.
Sec. 4723. Removal of barriers to interethnic adoption.
Sec. 4724. Effective date: transition rules.

CHAPTER 2—CHILD AND FAMILY SERVICES BLOCK GRANT

Sec. 4751. Child and family services block grant.
Sec. 4752. Reauthorizations.
Sec. 4753. Repeals.

Subtitle C—Reductions in Federal Government Positions

Sec. 4801. Reductions.
Sec. 4802. Reductions in Federal bureaucracy.
Sec. 4803. Reducing personnel in Washington, D.C. area.

Subtitle H—Miscellaneous

Sec. 4901. Appropriation by State legislatures.
Sec. 4902. Sanctioning for testing positive for controlled substances.
Sec. 4903. Reduction in block grants to States for social services.

Subtitle A—Block Grants for Temporary Assistance for Needy Families

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

Sec. 4381. Grants to States for access and visitation programs.

CHAPTER 2—EARNING DATES AND CONFIRMING AMENDMENTS

Sec. 4391. Effective date of amendments.

Subtitle D—Restricting Welfare and Public Benefits for Aliens

Sec. 4400. Statements of national policy concerning welfare and immigration.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

Sec. 4401. Aliens who are not qualified aliens ineligible for Federal public benefits.
Sec. 4402. Limited eligibility of qualified aliens for certain Federal programs.
Sec. 4403. Five-year limited eligibility of qualified aliens for Federal means-tested public benefit.
Sec. 4404. Notification and information reporting.

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

Sec. 4411. Aliens who are not qualified aliens or nonimmigrants ineligible for State and local public benefits.
Sec. 4412. State authority to limit eligibility of qualified aliens for State public benefits.

CHAPTER 3—ATTRIBUTION OF INCOME AND AFFIDAVITS OF SUPPORT

Sec. 4421. Federal attribution of sponsor's income and resources to alien.
Sec. 4422. Authority for States to provide for attribution of sponsors income and resources to the alien with respect to State programs.
Sec. 4423. Requirements for sponsor's affidavit of support.

CHAPTER 4—GENERAL PROVISIONS

Sec. 4431. Definitions.
Sec. 4432. Verification of eligibility for Federal public benefits.
Sec. 4433. Statutory construction.
Sec. 4434. Communication between State and local government agencies and the Immigration and Naturalization Service.
Sec. 4435. Qualifying quarters.

CHAPTER 5—CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING

Sec. 4441. Conforming amendments relating to assisted housing.

CHAPTER 6—EARNED INCOME CREDIT DENIED TO UNAUTHORIZED EMPLOYEES

Sec. 4451. Earned income credit denied to individuals not authorized to be employed in the United States.

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CHAPTER 1—CHILD PROTECTION BLOCK GRANT PROGRAM AND FOSTER CARE ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

SUBCHAPTER A—BLOCK GRANTS TO STATES FOR THE PROTECTION OF CHILDREN

Sec. 4701. Establishment of program.
Sec. 4702. Conforming amendments.

SUBCHAPTER B—FOSTER CARE, ADOPTION ASSISTANCE, AND INDEPENDENT LIVING PROGRAMS

Sec. 4711. Conforming amendments to part E of title IV.
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.

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 2000 are likely to be out-of-wedlock births.

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 low birthweight than those born to married parents.

(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 live with both biological parents.

(F) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up.

(G) 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 remarriage, they typically have a child out-of-wedlock.

(H) Among single-parent families, nearly ¼ of the mothers who gave birth received AFDC while only ⅛ of divorced mothers received AFDC.

(I) Children born into families receiving welfare assistance are 3 times more likely to be on welfare when they reach adulthood than children born into families receiving welfare assistance.

(J) Parents under 20 years of age are at the greatest risk of bearing low-birth-weight babies.

(K) The younger the single parent mother, the less likely she is to graduate from high school and the less likely she is to live with a child in a two-parent family.

(L) Young women who have children before finishing high school are more likely to receive welfare assistance for a longer period of time than those who have the child out-of-wedlock.

(M) 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 medicare program has been estimated at $120,000,000,000.

(N) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment.

(O) Children of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves.

(P) Children of single-parent homes are 3 times more likely to fail and repeat a year in school than are children from intact 2-parent families.

(Q) Children from single-parent homes are almost 4 times more likely to be expelled or suspended from school.

(R) Children from single-parent homes with higher percentages of youth aged 12 through 20 and areas with higher percentages of single-parent households have higher rates of violent crime.

(S) Of the youth held for criminal offenses within the 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 resident population were living with both parents.

(T) Therefore, in light of this demonstration of the crisis in our Nation, it is the sense of congress that prevention of out-of-wedlock birth, 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 this Act) is intended to address the crisis.

SEC. 4102. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this Act a term is defined and 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 as in effect on the date of enactment of this Act.

SEC. 4103. BLOCK GRANTS TO STATES.

(a) In General.—Part A of title IV (42 U.S.C. 601 et seq.) is amended—

(i) by striking all that precedes section 418 (as added by section 4803(b)(2) of this Act) and inserting the following:

"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—

(i) provide assistance to needy families so that children may be cared for in their own homes or in homes of relatives; and

(ii) provide assistance to enable them to leave the program to engage in work, and support services to enable them to leave the program and become self-sufficient.

(ii) Require a parent or caretaker receiving assistance under this program to engage in work (as defined by the State) before the State determines the parent or caretaker is ready to engage in work, or once the parent or caretaker has received assistance under this program for 24 months (whether consecutive or not), whichever is earlier.

(iii) Ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 407.

(iv) 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 to the program attributable to funds provided by the Federal Government.

(b) SPECIAL PROVISIONS.—

(i) The document shall indicate whether the State intends to treat families moving into the State from another State differently than other families under the program, and shall include an overview of such assistance.

(ii) The document shall set forth objective criteria for the delivery of benefits and the determination of eligibility for fair and equitable treatment, including an explanation of how the State will provide opportunities for recipients who have been adversely affected by the new program to be heard in a State administrative or appeal process.

"(2) CERTIFICATION THAT THE STATE WILL OPERATE A CHILD SUPPORT ENFORCEMENT PROGRAM.—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 OPERATE A CHILD PROTECTION PROGRAM.—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.

"(4) CERTIFICATION OF THE ADMINISTRATION OF THE PROGRAM.—A certification by the chief executive officer of the State that the child support agencies or programs being administered by 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 consulted regarding the plan and design of welfare services in the State that will provide assistance under this part appropriate to local populations; and

"(B) have had at least 45 days to submit comments on the plan and the design of such services.

"(5) CERTIFICATION THAT THE STATE WILL PROVIDE INDIANS WITH EQUITABLE ACCESS TO ASSISTANCE.—A certification by the chief executive officer of the State that, during the fiscal year, the States are provided to 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 which provides to the individual access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.

"(6) 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.

"(a) GRANTS—
section 403(a) (5) for fiscal year 1994, if, during section 403(a)(5) for emergency assistance for care under subsection (g) or (i) of former section 403, the Secretary shall use information available as of April 28, 1995.

(ii) FOR FISCAL YEAR 1995.—In determining the amounts described in subparagraph (C)(i)(V) for any State for fiscal year 1995, the Secretary shall use information available as of October 2, 1995.

(iii) FOR FISCAL YEAR 1996.—

(1) In determining the amount described in subparagraph (B)(I) for any State for fiscal year 1996, 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 November 1, 1995.

(2) In determining the amounts described in subparagraph (B)(II) for any State for fiscal year 1996, the Secretary shall use information available as of July 28, 1996.

(C) APPEAL.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1996, 1997, 1998, 1999, and 2000 $65,000,000 to enable the Secretary to provide services consistent with the requirements of this paragraph.

(d) GRANT TO REWARD STATES THAT REDUCE OUT-OF-WEDLOCK BIRTHS.—

(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary for each fiscal year specified in subparagraph (A)(i), a grant in an amount equal to the State family assistance grant multiplied by—

(1) 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

(iii) 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

(B) APPEAL.—Any increase in the amount of a grant made to a State under this subparagraph shall be appealable to the Federal Government.

(e) GRANT IN AN AMOUNT EQUAL TO 2 PERCENT OF THE TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 FOR FISCAL YEAR 1994 FOR EACH SUCCESSING FISCAL YEAR.—Each State that is a qualifying State for fiscal year 1994 or any succeeding fiscal year shall be entitled to receive, from the Secretary, a grant in an amount equal to 2 percent of the total amount required to be paid to the State under former section 403 for fiscal year 1994 for each succeeding fiscal year that such State is a qualifying State for such fiscal year.

(f) APPEAL.—Any increase in the amount of a grant made to a State under this subparagraph shall be appealable to the Federal Government.

(2) GRANT IN AN AMOUNT EQUAL TO 2.5 PERCENT OF THE TOTAL AMOUNT REQUIRED TO BE PAID TO THE STATE UNDER FORMER SECTION 403 FOR FISCAL YEAR 1995 FOR EACH SUCCESSING FISCAL YEAR.—Each State that is a qualifying State for fiscal year 1995 or any succeeding fiscal year shall be entitled to receive, from the Secretary, 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 for fiscal year 1995 for each succeeding fiscal year that such State is a qualifying State for such fiscal year.

(g) APPEAL.—Any increase in the amount of a grant made to a State under this subparagraph shall be appealable to the Federal Government.
"(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.

(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 State 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 $500,000,000 for grants under this paragraph.

(F) FRANTS 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 that might be made under this paragraph for the fiscal year, the amount otherwise payable to any State for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

(G) BUDGET SCORING.—Notwithstanding section 203(c)(1)(B) of the Balanced Budget and Emergency Deficit Control Act of 1985, the budget baseline shall assume that no grant shall be made under this paragraph after fiscal year 2000.

(h) BONUS TO REWARD HIGH PERFORMANCE STATES.—

(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State that meets the requirements for the bonus year equal to $100,000,000 for each bonus year immediately preceding fiscal year; and

(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.


(v) HIGH PERFORMANCE STATE.—The term 'high performance State' means, with respect to a State, a month in which the spending per poor person' means, with respect to a State, a month in which the

(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

(G) FRANTS 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 that might be made under this paragraph for the fiscal year, the amount otherwise payable to any State for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

(H) BONUS TO REWARD HIGH PERFORMANCE STATES.—

(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State that meets the requirements for the bonus year equal to $100,000,000 for each bonus year immediately preceding fiscal year; and

(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.


(v) HIGH PERFORMANCE STATE.—The term 'high performance State' means, with respect to a State, a month in which the

(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

(G) FRANTS 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 that might be made under this paragraph for the fiscal year, the amount otherwise payable to any State for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

(H) BONUS TO REWARD HIGH PERFORMANCE STATES.—

(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State that meets the requirements for the bonus year equal to $100,000,000 for each bonus year immediately preceding fiscal year; and

(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.


(v) HIGH PERFORMANCE STATE.—The term 'high performance State' means, with respect to a State, a month in which the

(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

(G) FRANTS 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 that might be made under this paragraph for the fiscal year, the amount otherwise payable to any State for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.

(H) BONUS TO REWARD HIGH PERFORMANCE STATES.—

(A) IN GENERAL.—The Secretary shall make a grant pursuant to this paragraph to each State that meets the requirements for the bonus year equal to $100,000,000 for each bonus year immediately preceding fiscal year; and

(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.


(v) HIGH PERFORMANCE STATE.—The term 'high performance State' means, with respect to a State, a month in which the

(F) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2003 $500,000,000 for grants under this paragraph.
the Personal Responsibility and Work Opportunity Act of 1996 had been in effect throughout fiscal year 1994; or

(ii) the monthly average number of individuals (as of the last day of each month) in the State that would have participated in the food stamp program in the corresponding 3-month period in fiscal year 1995 if the amendments made by subtitles D and J of the Personal Responsibility and Work Opportunity Act of 1996 had been in effect throughout fiscal year 1995.

(7) OTHER TERMS DEFINED.—As used in this subsection:

(A) STATE.—The term 'State' means each of the 50 States of the United States and the District of Columbia.

(B) SECRETARY.—The term 'Secretary' means the Secretary of the Treasury.

(8) ANNUAL REPORTS.—The Secretary shall annually report to the Congress on the status of the Fund.

(9) 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 subsection after fiscal year 2001.

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 the requirements of this part.

(c) AUTHORITY TO TREAT INTERSTATE IMMIGRANTS UNDER RULES OF FORMER STATE.—A State operating a program funded under this part may, if 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.—A State may use not more than 30 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 any or all of the following provisions:

(A) Part B or E of this title.

(B) Title XX of this Act.

(C) 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 a provision described in paragraph (1) shall not be subject to the requirements of this part, but shall be subject to the requirements that apply to Federal funds provided under the provision of law 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 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 grantee 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 421(a)(1) with respect to the State.

(c) CERTIFICATION 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, after adjustment has been made under this paragraph.

(2) APPLICABLE RULES.—Any amount paid to such State in respect to a State, the Secretary of the Treasury shall consider to be the minimum necessary for the cost of administering, operating and improving the State system of employment services, that provide—

(i) counseling, job search assistance, and job placement and retention assistance; and

(ii) case management, and training and retraining services.

(3) ESTIMATE.—The Secretary shall make an estimate of the amount of loans and grants payable to each eligible State for each quarter under this part.

(4) PAYMENTS TO STATES.—

(A) LOAN AUTHORITY.—

(i) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period of up to 3 years, provided the terms and conditions of the loan are the same as those issued pursuant to section 464(b) applicable to State loans under this section.

(ii) RATES.—Interest shall be charged on the balance of any loan under this section at a rate equal to the current average market yield on standing marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

(iii) MATURED DEBT.—The Secretary shall provide interest to any loan for which payment in full has been made on the maturity date.

(iv) LIQUIDATION.—The Secretary shall issue a notice of default, with respect to any loan under this section, in accordance with section 464(b) applicable to State loans under this section.

(B) GRANT AUTHORITY.—The Secretary shall make grants to any State, for a period of up to 3 years, provided the terms and conditions of the grant and the use of State funds are consistent with the current administrative rules of the Secretary.

(C) PAYMENTS TO STATES.—The Secretary shall pay to each State a quarterly installment to a State. the Secretary shall determine the amount to be paid to each State by the Secretary containing an estimate by the Secretary of the amount of loans and grants payable to each eligible State for each quarter under this part.

(6) PAYMENT METHOD—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary shall pay to the State, the Secretary of the Treasury the amount estimated under paragraph (1) with respect to such State.

(7) PAYMENT FOR LOANS.—The Secretary shall make payments to a State under section 403 in quarterly installments.

(8) FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

(a) LOAN AUTHORITY.—

(i) IN GENERAL.—The Secretary shall make loans to any loan-eligible State, for a period of up to 3 years, provided the terms and conditions of the loan are the same as those issued pursuant to section 464(b) applicable to State loans under this section.

(ii) RATES.—Interest shall be charged on the balance of any loan under this section at a rate equal to the current average market yield on standing marketable obligations of the United States with remaining periods to maturity comparable to the period to maturity of the loan.

(iii) MATURED DEBT.—The Secretary shall provide interest to any loan for which payment in full has been made on the maturity date.

(iv) LIQUIDATION.—The Secretary shall issue a notice of default, with respect to any loan under this section, in accordance with section 464(b) applicable to State loans under this section.

(b) 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.

(c) LIMITATION ON TOTAL AMOUNT OF OUTSTANDING LOANS.—The total dollar amount of loans outstanding under this section may not exceed $1,700,000,000.

(d) 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 grants and loans under this section.

SEC. 407. MANDATORY WORK REQUIREMENTS.

(a) PARTICIPATION REQUIREMENTS.—

(i) ALL FAMILIES.—A State to which a grant is made under section 403 for a fiscal year shall set work requirements for all families receiving assistance under the State program funded under this part.

(ii) AMOUNTS.—The minimum participation rate is:

If the fiscal year is:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Minimum Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>30</td>
</tr>
<tr>
<td>1998</td>
<td>30</td>
</tr>
<tr>
<td>1999</td>
<td>35</td>
</tr>
<tr>
<td>2000</td>
<td>40</td>
</tr>
<tr>
<td>2001</td>
<td>45</td>
</tr>
<tr>
<td>2002 or thereafter</td>
<td>50</td>
</tr>
</tbody>
</table>

(iii) PARTICIPATION UNDER THE PROGRAM.—A State may not make grants to families receiving assistance under the program following 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.
"(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 applicable to 2-parent families in the following table for the fiscal year with respect to 2-parent families receiving assistance under the State program funded under this part:

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Participation Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>50</td>
</tr>
<tr>
<td>1997</td>
<td>55</td>
</tr>
<tr>
<td>1998</td>
<td>60</td>
</tr>
<tr>
<td>1999</td>
<td>65</td>
</tr>
</tbody>
</table>

(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, shall be determined by the formula

\[
\frac{\text{number of families receiving assistance during the month}}{\text{number of families receiving assistance during the month that include an adult receiving such assistance: exceeds}}
\]

the share of families that are subject to such penalty for the month, divided by

\[
\text{the number of} \quad ((i) \quad \text{the average monthly number of families qualifying for assistance for the month: exceeds})
\]

(ii) the amount by which—

\[
\text{the minimum number of 2-parent families for the State for the fiscal year is the average of the participation rates under subsection (a).}
\]

(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 to reduce 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 average monthly number of families receiving assistance during the fiscal year under the State program funded under this part is less than

(ii) the average monthly number of families receiving assistance during the fiscal year under the State plan approved under part A (as in effect on September 30, 1995) during fiscal year 1995.

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 paragraph (1)(B) and (2)(B), the 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, the State may, at its option, require an individual who is a member of a single custodial parent family with an adult that has not attained 12 months of age and is engaged in work, and may disregard such an individual in determining the participation rates under subsection (a).

(6) ENGAGED IN WORK.—

(A) ALL FAMILIES.—For purposes of subsection (b)(1)(B), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum 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), (6), (7), or (8) of subsection (d):

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum average number of hours per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>20</td>
</tr>
<tr>
<td>1997</td>
<td>25</td>
</tr>
<tr>
<td>1998</td>
<td>30</td>
</tr>
<tr>
<td>1999</td>
<td>35</td>
</tr>
</tbody>
</table>

(B) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(B), a recipient is engaged in work for a month in a fiscal year if the recipient is participating in work activities for at least the minimum 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), (6), (7), or (8) of subsection (d):

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum average number of hours per week</th>
</tr>
</thead>
<tbody>
<tr>
<td>1996</td>
<td>20</td>
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<td>25</td>
</tr>
<tr>
<td>1998</td>
<td>30</td>
</tr>
<tr>
<td>1999</td>
<td>35</td>
</tr>
</tbody>
</table>

(7) LIMITATION ON NUMBER OF WEEKS FOR WHICH JOB SEARCH COUNTS AS WORK.—Notwithstanding paragraphs (1) and (2), an individual shall not be considered to be engaged in work by virtue of participation in an activity described in paragraph (6)(A) if the individual has participated in such an activity for 8 weeks in a fiscal year, or if the participation is for a week in which the individual is participating in education or work required in accordance with this section, the State shall—

(A) reduce the number 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.

(8) REQUIREMENT EXEMPTIONS—For any fiscal year, the State may, at its option, substitute for the term 'number of 2-parent families' the number of 2-parent families of the State for the fiscal year, calculated as the average of the participation rates for 2-parent families of the State for a fiscal year.

(9) JOB SKILLS TRAINING.—

(A)纹

(10) PENALTIES AGAINST INDIVIDUALS.—

(A) IN GENERAL.—

(1) Employment Activity.—

(2) Job Search and Job Readiness Assistance.—

(3) Community Service Programs.—

(4) Vocational educational training (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 (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available:

(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,

A (11) satisfactory attendance at secondary school, in the case of a recipient who has not received a secondary education, if the adult has not attained 16 years of age or is in secondary school,

(12) education to enhance or improve the adult's employability, including any education to enhance or improve the adult's employability provided under section 412,

(13) education directly related to employment, including any education directly related to employment provided under section 412,

(14) education directly related to work, including any education directly related to work provided under section 412;

(15) education directly related to work experience, including any education directly related to work experience provided under section 412.

(2) Exception.—No filling of certain vacancies on a referral basis for which the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).

(3) Nonplacement in work activity described in subsection (d) which is funded, in whole or in part, with funds provided by the Federal Government may fill a vacant employment position in order to engage in a work activity described in subsection (d).
part. by funds provided by the Federal Gov-
ment shall be employed or assigned—
"(A) when any other individual is on layoff
from the same or any substantially equiva-
 lent work;
"(B) if the employer has terminated the
employment of any regular employee or other-
wise caused an involuntary reduction of its
workforce in order to fill the vacancy so cre-
ated with an adult described in paragraph
(1);
"(3) NO PREEMPTION.—Nothing in this sub-
section shall preempt or supersede any provi-
sion of State or local law that provides
greater protection for employees from dis-
placement.

"(g) SENSE OF THE CONGRESS.—It is the
sense of the Congress that—
"(1) each State that operates a pro-
gram funded under this part is encouraged to
assign the highest priority to requiring ad-
signs to all one-parent families that include
school or school-age children to be engaged
in work activities.

"(h) SENSE OF THE CONGRESS THAT STATES
SHOULD IMPose CERTAIN Requirements ON
NONCUSTODIAL, NONSUPPORTING MinOR Par-
ENTS.—It is the sense of the Congress that
the States should show the commitment to sup-
porting parents who have not attained 18
years of age to fulfill community work obli-
gations and attend appropriate parenting or
other childhood development programs after
its age.

"(i) REVIEW OF IMPLEMENTATION OF STATE
WORK PROGRAMS.—During fiscal year 1999,
the Committee on Ways and Means of the House
of Representatives and the Committee on
Finance of the Senate shall hold hearings
and engage in other appropriate activities to
review the implementation of this section by
the States to determine the extent to which the
States to testify before then regarding such
implementation. Based on such hear-
ings, such Committees may introduce such
legislation as may be appropriate to remedy any
problematic aspects of the State programs op-
erated pursuant to this section.

In section 408(d) of the Social Security Act,
the Congress, as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term
"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or if appro-
appropriate) in accordance with subpara-
graph (G).

In section 1931(a) of the Social Security Act,
as proposed to be inserted by section
4115(a)(2)

"(i) in paragraph (l), strike through (4) and
insert through (5);
"(2) in paragraph (3), strike ‘‘and’’ at the end,

"(i) in paragraph (l), strike the period at the end and insert ‘‘;’’ and

"(ii) insert a comma, and shall permit the
agency responsible for administering the
Social Security Act as proposed to be added by
section 4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

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as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

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in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropri-
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graph (G).

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as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
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"applicable percentage" means for fiscal years
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407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
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as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

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"applicable percentage" means for fiscal years
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407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
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as proposed to be added by section
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as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
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"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

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as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
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"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).

In section 407(a) of the Social Security Act,
as proposed to be added by section
4103(a)(1), strike clause (ii) and insert the fol-
lowing:

"(ii) APPLICABLE PERCENTAGE.—The term

"applicable percentage" means for fiscal years
in which a State meets the requirements of section
407(a) for the fiscal year, 75 percent (or appropriate) in accordance with subpara-
graph (G).
“(A) educational activities directed toward the attainment of a high school diploma or its equivalent; or

provide effective educational or training program that has been approved by the State.

“(G) No assistance for teenage parents not described in subparagraph (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 (i)(II) do not reside in the same household with the individual’s own 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.

(iii) Exception.—

(B) Exception.—

(i) Provision of, or assistance in locating, adult-supervised living arrangement.—In the case of an individual who is described in clause (i), 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) reside in such living arrangement for at least 30 consecutive days, after the date the State program funded under this part commences.

(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.

(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 a family that includes an adult who has received assistance under any State program funded under this part attributable to the assistance of another individual, for 60 months (whether or not consecutive) after the date the State program funded under this part commences.

(B) Exception.—

(i) Grant of assistance.—In determining the number of months for which an individual who is described in clause (i) of this subparagraph has received assistance under the State program funded under this part, the State shall disregard any period for which such assistance was provided with respect to the individual and during which the individual was—

(I) a minor child; and

(ii) not living in the household or married to the head of a household.

(C) Hardship exception.—

(i) 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.

(A) in general.—

(i) Requirement.—Except as provided in subparagraph (B) and (C), 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—

(I) is a parent or pregnant has received assistance under the State program funded under this part for an extended period of time, including any period during which assistance was provided with respect to the individual and during which the individual was—

(I) a minor child; and

(ii) not living in the household or married to the head of a household.

(ii) Exception.—

(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 information to 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) is described in subparagraph (B) or (C)

(B) Exception for family planning services.—(1) IN GENERAL.—The State may exempt a family from the application of this paragraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(2) Limitation.—The number of families assisted under this paragraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty, 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 in any fiscal year.

(3) Notification.—The State shall notify the State agency administering the program of the number of families assisted under this paragraph (A) by reason of hardship or if the family includes an individual who has been battered or subjected to extreme cruelty.

(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 18 years to a person found to have fraudulently misrepresented residence in order to obtain assistance from 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 18-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 part or title XIX, or the Food Stamp Act of 1977, or any equivalent; or

(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 a significant period.

(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 a significant period.
from funds provided by the Federal Government.

(12) LAW ENFORCEMENT ASSISTANCE TO BE PROVIDED FOR 1 YEAR FOR FAMILIES BECOMING INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INCREASED EARNINGS FROM EMPLOYMENT.—(A) If the Secretary, in the case of a family that receives cash assistance under this part as a result of increased earnings from employment, having received such assistance in at least 3 of the 6 months immediately preceding the month in which such determination begins, each individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIXduring the immediately succeeding 12-month period for so long as family income (as defined by the State), excluding any refund of Federal income tax credits or social security supplements, is below the Federal poverty line, and that the family will be appropriately notified of such eligibility.

(14) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO COLLECTION OF CHILD SUPPORT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, if any individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of the collection of child support, the individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the 4-month period beginning with the month in which such ineligibility begins.

(15) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO EMPLOYMENT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that any individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of employment, each individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the 4-month period beginning with the month in which such ineligibility begins.

(16) MEDICAL ASSISTANCE TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INELIGIBILITY FOR MEDICAL ASSISTANCE DUE TO A STATE'S FAILURE TO PAY.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, any individual or family who is receiving cash payments for foster care, or under the title 20, section 220(j)(1), 223, or 228, under a State plan funded under part E that provides cash assistance to families for the care of children in foster care, or under the supplemental security income program under title XVI, then the State may disregard the payment in determining the amount of assistance to be provided under the State plan funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.

(17) MEDICAL ASSISTANCE TO BE PROVIDED FOR 4 MONTHS FOR FAMILIES BECOMING INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INCREASED EARNINGS FROM EMPLOYMENT.—(A) If the Secretary, in the case of a family that receives cash assistance under this part as a result of increased earnings from employment, having received such assistance in at least 3 of the 6 months immediately preceding the month in which such determination begins, each individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the immediately succeeding 12-month period for so long as family income (as defined by the State), excluding any refund of Federal income tax credits or social security supplements, is below the Federal poverty line, and that the family will be appropriately notified of such eligibility.

(18) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO COLLECTION OF CHILD SUPPORT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, any individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of the collection of child support, the individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the 4-month period beginning with the month in which such ineligibility begins.

(19) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO EMPLOYMENT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that any individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of employment, each individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the 4-month period beginning with the month in which such ineligibility begins.

(20) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INELIGIBILITY FOR MEDICAL ASSISTANCE DUE TO A STATE'S FAILURE TO PAY.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, any individual or family who is receiving cash payments for foster care, or under the title 20, section 220(j)(1), 223, or 228, under a State plan funded under part E that provides cash assistance to families for the care of children in foster care, or under the supplemental security income program under title XVI, then the State may disregard the payment in determining the amount of assistance to be provided under the State plan funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.

(21) MEDICAL ASSISTANCE TO BE PROVIDED FOR 4 MONTHS FOR FAMILIES BECOMING INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INCREASED EARNINGS FROM EMPLOYMENT.—(A) If the Secretary, in the case of a family that receives cash assistance under this part as a result of increased earnings from employment, having received such assistance in at least 3 of the 6 months immediately preceding the month in which such determination begins, each individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the immediately succeeding 12-month period for so long as family income (as defined by the State), excluding any refund of Federal income tax credits or social security supplements, is below the Federal poverty line, and that the family will be appropriately notified of such eligibility.

(22) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO COLLECTION OF CHILD SUPPORT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, any individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of the collection of child support, the individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the 4-month period beginning with the month in which such ineligibility begins.

(23) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO EMPLOYMENT.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that any individual or family becomes ineligible to receive cash assistance under the State program funded under this part as a result of employment, each individual (or in the case of a family, each individual in the family) shall be eligible for medical assistance under the State's plan approved under title XIX during the 4-month period beginning with the month in which such ineligibility begins.

(24) MEDICAL ASSISTANCE REQUIRED TO BE PROVIDED TO AN INDIVIDUAL INELIGIBLE FOR CASH ASSISTANCE UNDER THIS PART DUE TO INELIGIBILITY FOR MEDICAL ASSISTANCE DUE TO A STATE'S FAILURE TO PAY.—A State to which a grant is made under section 403 shall take such action as may be necessary to ensure that, any individual or family who is receiving cash payments for foster care, or under the title 20, section 220(j)(1), 223, or 228, under a State plan funded under part E that provides cash assistance to families for the care of children in foster care, or under the supplemental security income program under title XVI, then the State may disregard the payment in determining the amount of assistance to be provided under the State plan funded under this part, from funds provided by the Federal Government, to the family of which the individual is a member.
the State under section 403(a)(4) for the immediately succeeding fiscal year (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)(4) for the fiscal year, by the amount by which qualified State expenditures for the fiscal year immediately preceding such date exceed the total amount of qualified State expenditures with respect to the expenditures described in subclause (I), the term eligible families means families who are not members of an eligible family.


(cc) Educational activities designed to increase the efficiency, job training, and work, excluding any expenditure for the 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 an eligible family.

(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 this part.

(II) HISTORIC STATE EXPENDITURES.—The Secretary shall determine whether to reduce the applicable percentage with respect to any eligible State for a fiscal year.

(iii) LIMITATION ON REDUCTION.—The applicable percentage for a fiscal year with respect to a State may not be reduced by more than 5 percentage points under this subparagraph.

(B) PENALTY BASED ON SEVERITY OF FAILURE.—The Secretary shall impose reductions under subparagraph (A) based on the degree of noncompliance.

(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 paragraph (1), (8), or (11) of subsection (a).

(3) CORRECTIVE COMPLIANCE PLAN.—

(A) IN GENERAL.—If a State program operated under part D is found as a result of a review conducted under section 420(b)(4) to not comply substantially with the requirements of such part, the Secretary may submit to the Federal Government a corrective compliance plan to correct the violation.

(B) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—The Secretary shall determine whether to reduce the applicable percentage with respect to such requirements only if the Secretary determines that such reductions is of a technical nature which does not adversely affect the performance of the State program operated under part D.

(6) FAILURE OF STATE RECEIVING AMOUNTS FROM FEDERAL FUNDS TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If at any time during any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary determines that the expenditures under the State program funded under this part for the fiscal year are less than 100 percent of historic State expenditures (as defined in paragraph (8)(ii)(III) of this subsection), the Secretary shall reduce the grant payable to the State under section 403(a)(4) for the immediately succeeding fiscal year by the total amount of the grants so paid to the State.

(7) 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 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.

"(4) INAPPLICABILITY TO FAILURE TO TIMELY REPAIR A FEDERAL LOAN FUND FOR A STATE WELFARE PROGRAM.—This subsection shall not apply to the imposition of a penalty against a State under subsection (a)(6).

"(d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) IN GENERAL.—In imposing the penalty 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 applies, the Secretary shall not recover 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 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.

"(4) INAPPLICABILITY TO FAILURE TO TIMELY REPAIR A FEDERAL LOAN FUND FOR A STATE WELFARE PROGRAM.—This subsection shall not apply to the imposition of a penalty against a State under subsection (a)(6).

"(d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) IN GENERAL.—In imposing the penalty 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 applies, the Secretary shall not recover during a fiscal year the full amount of penalties imposed on a State under subsection (a) of this section for a prior fiscal year.

"(3) EFFECT OF FAILING TO CORRECT VIOLATION.—The Secretary shall impose a final determination with respect to an appeal 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(b) of title 5, United States Code. The record shall include 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.—

"(2) CONTENTS OF REPORT.—Each eligible 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 stamp benefits, 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:

"(1) Education.

"(2) Subsidized private sector employment.

"(3) Unsubsidized employment.

"(4) Public sector employment, work experience, or community service.

"(5) Job search.

"(6) Job skills training or on-the-job training.

"(7) Vocational education.

"(8) Information necessary to calculate participation rates under section 407.

"(9) The type and amount of assistance received under the program, including the amount of and reason for any reduction of assistance (including sanctions).

"(xv) From a sample of closed cases, the objective of—

"(1) increasing employment and earnings of needy families, and child support collections; and

"(2) decreasing out-of-wedlock pregnancies and family poverty.

"The (d) LIMITATION ON AMOUNT OF PENALTY.—

"(1) IN GENERAL.—Within 9 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 APPEAL.—

"(1) IN GENERAL.—Within 30 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 conduct a proceeding in accordance with a State corrective compliance plan accepted by the Secretary on the basis of such documentation as the State may submit and as the Board may require to support the final determination of the Board on the record 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 conduct a proceeding in accordance with a State corrective compliance plan accepted by the Secretary on the basis of such documentation as the State may submit and as the Board may require to support the final determination of the Board on the record 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 conduct a proceeding in accordance with a State corrective compliance plan accepted by the Secretary on the basis of such documentation as the State may submit and as the Board may require to support the final determination of the Board on the record 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 conduct a proceeding in accordance with a State corrective compliance plan accepted by the Secretary on the basis of such documentation as the State may submit and as the Board may require to support the final determination of the Board on the record established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.

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"(2) PROCEDURAL RULES.—The Board shall conduct a proceeding in accordance with a State corrective compliance plan accepted by the Secretary on the basis of such documentation as the State may submit and as the Board may require to support the final determination of the Board on the record established in the Department of Health and Human Services (in this section referred to as the 'Board') by filing an appeal with the Board.
the Indian tribe pursuant to subsection (b)(1)(C) of this section.

(1) USE OF STATE SUBMITTED DATA.—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 the determination made under subparagraph (I), the Secretary or the applicable State shall, to the maximum extent feasible, use random assignment as an evaluation methodology.

(2) DISAGREEMENT ASSISTANCE.—Nothing in this section shall preclude an Indian tribe from seeking emergency assistance from any Federal loan program or emergency fund.

(c) ACCOUNTABILITY.—Nothing in this section shall preclude the Secretary to maintain program funding accountability consistent with:

(i) generally accepted accounting principles; and

(ii) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

(2) ANNUAL REVIEW.—The Secretary shall annually 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 assistance to the Indian tribes in that State.

(3) 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 assistance to the Indian tribes in that State.

(4) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—The Secretary shall annually rank States to which grants are made under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part in long-term private sector jobs, reducing the overall welfare participation rate, and, where applicable, 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 minority 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.

(5) 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 assistance to the Indian tribes in that State.

(6) ANNUAL RANKING OF STATES AND REVIEW OF ISSUES RELATING TO OUT-OF-WEDLOCK BIRTHS.—The Secretary shall annually rank States to which grants are made under section 403 in the order of their success in placing recipients of assistance under the State program funded under this part in long-term private sector jobs, reducing the overall welfare participation rate, and, where applicable, 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 minority 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.

(7) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio determined under subparagraph (A) and the ratio determined under subparagraph (A) shall be the net change in the out-of-wedlock ratio. The ratio determined under subparagraph (A) shall be the ratio of the number of births in families receiving assistance under the State program in the most recent fiscal year to the number of births in families receiving assistance under the State program in the immediately preceding fiscal year.

(8) STATE-INITIATED EVALUATIONS.—A State shall be eligible to receive funding to conduct an evaluation of the State program funded under this part if—

(i) the State submits a proposal to the Secretary for the evaluation; and

(ii) the Secretary determines that the design and approach of the evaluation is rigorous and is likely to yield information that is necessary to make the determination under paragraph (2).
(3) if any waiver granted by the Director after the expiration of the waiver.

As used in this part:

(1)ינリアル.—The term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child, in accordance with the regulations of the Secretary of the Treasury of the United States.

(2) IN GENERAL.—Except as provided in paragraph (3), if any waiver granted by the Director after the expiration of the waiver.

(3) As used in this part:

(A) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(B) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(C) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(D) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(E) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(F) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(G) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(H) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(I) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(J) the term 'Indian' means any individual who is a member of an Indian tribe, including any child of such individual who is not a minor child.

(2) The term 'minor child' means any individual who is not a minor child, as defined in paragraph (1).

(B) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—In this Act, 'Indian tribe' means, with respect to the State of Alaska, or shall mean Metlakatlak Indian Community of the Annette Islands Reserve and the following Alaska Native regional nonprofit corporations:

(i) Arctic Village Native Association.

(ii) Kwaerak, Inc.

(iii) Maniillaq 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) Chugachmu.

(x) Tlingit Haida Central Council.

(xii) Kodiak Area Native Association.

(xiii) Copper River Native Association.

(xiv) 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.

(b) GRANTS TO OUTLYING AREAS.—Section 1108 of title IV is amended—

(1) by redesignating subsection (c) as subsection (g);

(2) by striking all that precedes subsection (c) and inserting—

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO, THE VIRGIN ISLANDS, GUAM, AND AMERICAN SAMOA LIMITATION ON TOTAL PAYMENTS TO SUCH TERRITORIES.

"(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, B, and E of title IV, and under subsection (b) of this section, for payment under any program 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, B, and E 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 such fiscal year;

(ii) the total amount required to be paid to the territory under former section 434 as in effect for fiscal year 1995; and

(iii) $4,902,000 with respect to Guam.

(c) 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) and any other such provision of law.

(d) LIMITATION ON AUTHORIZATION OF APPEALS.—For grants under paragraph (1), there are authorized to be appropriated—

(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.

(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) and any other such provision of law.

(3) LIMITATION ON AUTHORIZATION OF APPEALS.—For grants under paragraph (1), there are authorized to be appropriated—

(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 TERRITORIES.—In the event a territory exercises its authority under subsection (a), religious or private 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), 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.

(f) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—In the event a territory 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), 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.

(g) RELIGIOUS CHARACTER AND FREEDOM.—

(1) RELIGIOUS ORGANIZATIONS.—A religious organization is a contract described in subsection (a)(1)(A), which accepts certificates, vouchers, or other forms of disbursement under any program described in 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.

(h) ADDITIONAL SAFEGUARDS.—Neither the Federal Government nor a State receiving funds under such programs shall discriminate against an organization which applies or accepts certificates, vouchers, or other forms of disbursement on the basis that the organization has a religious character.
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) shall object 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 or entity to which such individual is entitled 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-1(a)) regarding employment practices shall not be applied by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(g) NONDISCRIMINATION AGAINST BENEFICIARIES.—A religious organization otherwise provided in law, a religious organization shall not discriminate against an individual in regard to rendering assistance 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 program.

(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 audited.

(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 committed such violation.

(j) LIMITATION ON USE OF FUNDS FOR CERTAIN ENDINGS.—No funds provided directly to institutions or organizations to provide services and administer programs under subsection (a)(1)(A) shall be expended for sectarian educational purposes.

(k) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that provides greater protection of religious freedom than that provided in the State's plan approved under part A or E.

SEC. 4105. CENSUS DATA ON GRANDPARENTS AS PRIMARY CAREGIVERS FOR THEIR GRANDCHILDREN

SEC. 4106. 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 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, 1985), and

(2) what was required to establish a system capable of—

(A) tracking participants in public programs over time; and

(B) coding 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. 4107. STUDY OF ALTERNATIVE OUTCOMES MEASURES.

(a) STUDY.—The Secretary shall, in cooperation with the States, study and analyze alternative measures of 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 405(a) of the Social Security Act. The study shall include a determination as to whether such alternative measures outcomes should be applied in establishing a State's performance and a preliminary assessment of the effects of section 409(a)(7) of such Act.

(b) REPORT.—Not later than September 30, 1986, 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. 4108. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENT TO SUBSECTION (A) OF SECTION 1115.—


(A) by inserting "an agency administering a program funded under part A of title IV of this Act" before "before"; and

(B) by striking "or D of title IV of this Act" and inserting "of such title".

(2) Section 1115(b)(1) of the Act (42 U.S.C. 6015(b)(1)), as redesignated by section 402(b)(10)(F)(2) of the Social Security Assistance and Program Improvements Act of 1984, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV of this Act" before "before"; and

(B) by striking "D of title IV of this Act" and inserting "of such title".

(3) Section 1115(c)(1) of the Act (42 U.S.C. 6015(c)(1)), as redesignated by section 402(b)(10)(F)(3) of the Social Security Assistance and Program Improvements Act of 1984, is amended—

(A) by inserting "an agency administering a program funded under part A of title IV of this Act" before "before"; and

(B) by striking "D of title IV of this Act" and inserting "of such title".

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

(1) Section 451 of the Social Security Act (42 U.S.C. 651) is amended by striking "aid" and inserting "assistance under a State program funded"; and

(2) Section 452(a)(10)(C) of the Act (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 plan approved under part A"; and

(B) by striking "aid to families with dependent children" and inserting "of such assistance";

and

(C) by striking under section 402(a)(26) or (25) and inserting "under section 408(a)(4) or subsection".

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

(A) by striking "aid under a State plan approved under part A" and inserting "assistance under a State program funded"; and

(B) by striking "aid under a State plan approved under part A" and inserting "assistance under a State program funded under part A".

(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) (42 U.S.C. 652(d)) is amended by striking "1115(c)" and inserting "1115(b)";

(6) Section 453(c)(3) (42 U.S.C. 653(c)(3)) is amended by striking "aid is 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";

(7) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended in the matter following clause (ii) 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)(B) (42 U.S.C. 652(g)(2)(B)) is amended in the matter following subparagraph (B) by—

(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"; and

(B) inserting "by the State" after "found"; and

(9) Subsection (g) "to have good cause for refusing to cooperate under section 402(a)(26)" and inserting "to qualify for a good cause or other exception to cooperation pursuant to section 452(c)(3)";

(10) 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)";

(11) 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";

(12) Section 454(b)(5) (42 U.S.C. 654(b)(5)) is amended by striking "under a State plan approved under part A" and inserting "assistance under a State program funded under part A";

(13) Section 454(b)(6)(C) (42 U.S.C. 654(b)(6)(C)) is amended by striking "aid under part A of this title" and inserting "assistance under a State program funded under part A";

(14) Section 455(c)(3)(B) (42 U.S.C. 655(c)(3)(B)) is amended by striking "aid under part A of this title" and inserting "assistance under a State program funded under part A"; and

(15) Section 460(h)(2)(B) (42 U.S.C. 666(h)(2)(B)) is amended by striking "aid" and inserting "assistance under a State program funded".
(16) Section 469(a) (42 U.S.C. 669a(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’’.

(2) Section 1110 (42 U.S.C. 1202(a)(7) (42 U.S.C. 1902(j)) is amended by
(A) striking ‘‘in this subsection—’’ and
(B) inserting ‘‘such assistance’’.

(f) Section 1133(a) (42 U.S.C. 1320b—3(a)) is amended by
(A) striking ‘‘403(a),’’
(B) in subsection (b)(1)(A), by striking ‘‘the aid to families with dependent children program under’’ and inserting ‘‘the Aid to Families with Dependent Children program under’’
and
(C) by striking ‘‘Aid to Families with Dependent Children Program under’’ and inserting ‘‘Aid to Families with Dependent Children Program under’’

(7) Section 1137 (42 U.S.C. 1352(a)(7)) is amended by
(A) striking subsection (m).

AMENDMENT TO TITLE XIX.—Section 1902(a)(7) (42 U.S.C. 1396a(a)) is amended by
(A) striking ‘‘for purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices, to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part of title IV of the Social Security Act (42 U.S.C. 601 et seq.)’’;
(B) by striking paragraph (6) and inserting—
(1) by inserting ‘‘and’’ after ‘‘part A of title IV’’;
and
(ii) by striking ‘‘such assistance’’.

AMENDMENT TO TITLE XIV.—Section 1611(c)(5)(A) (42 U.S.C. 1382c(5)(A)) is amended to read as follows: ‘‘(A) A State program under part A of title IV of the Social Security Act;’’

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’’.

AMENDMENT TO TITLE XIX AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1902(a)(7) (42 U.S.C. 1396a(a)) is amended by
(A) striking ‘‘in this subsection—’’ and
(B) inserting ‘‘such assistance’’.

SEC. 4109. 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 ‘‘403(a),’’ and all that follows through ‘‘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 (b), by striking ‘‘in paragraph (5),’’ and inserting ‘‘in paragraphs (5) and (6),’’;
(3) in subsection (c), by striking ‘‘the Aid to Families with Dependent Children Program under’’ and inserting ‘‘State programs funded under part A of title IV’’.

(b) In subsection (d), by adding at the end the following new subparagraph:—
‘‘(d) by striking paragraph (7) and inserting—
‘‘(7) Section 1137 (42 U.S.C. 1352(a)(7)) is amended by
(A) striking subsection (m).

AMENDMENT TO TITLE XIX.—Section 1902(a)(7) (42 U.S.C. 1396a(a)) is amended by
(A) striking ‘‘for purposes of section 455 of the Social Security Act, expenses incurred to reimburse State employment offices for furnishing information requested of such offices, to the extent and for the period prescribed by the Secretary, be regarded as a permissible use of funds under such part of title IV of the Social Security Act (42 U.S.C. 601 et seq.)’’;
(B) by striking paragraph (6) and inserting—
(1) by inserting ‘‘and’’ after ‘‘part A of title IV’’;
and
(ii) by striking ‘‘such assistance’’.

AMENDMENT TO TITLE XIV.—Section 1611(c)(5)(A) (42 U.S.C. 1382c(5)(A)) is amended to read as follows: ‘‘(A) A State program under part A of title IV of the Social Security Act;’’

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’’.

AMENDMENT TO TITLE XIX AS IN EFFECT WITH RESPECT TO THE TERRITORIES.—Section 1902(a)(7) (42 U.S.C. 1396a(a)) is amended by
(A) striking ‘‘in this subsection—’’ and
(B) inserting ‘‘such assistance’’.

(b) Section 1115 (42 U.S.C. 1315) 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 ‘‘403,’’;

(c) Section 1118 (42 U.S.C. 1318) is amended—
(A) by striking ‘‘403(a),’’;
and
(B) by striking ‘‘and part A of title IV,’’; and

(d) by striking ‘‘, and shall, in the case of American Samoa, mean 15 cents per month with respect to part A of title IV’’;

(e) Section 1119 (42 U.S.C. 1319) is amended—
(A) by striking ‘‘or part A of title IV’’;
and
(B) by striking ‘‘403(a),’’;

(f) Section 1133(a) (42 U.S.C. 1320b-3(a)) is amended by striking ‘‘or part A of title IV’’;

(g) Section 1136 (42 U.S.C. 1320b-6) is repealed.

(h) Section 1137 (42 U.S.C. 1320b-7) is amended—
(A) in subsection (b), by striking paragraph (1) (A) and inserting the following:
‘‘(1) any State program funded under part A of title IV of this Act;’’;
and
(B) in subsection (c)(1)—
(i) by striking ‘‘in this subsection—’’ and all that follows through ‘‘in’’ and inserting ‘‘in this subsection—’’;
(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.

(i) AMENDMENT TO TITLE XIV.—Section 1422(a)(1)(A) (42 U.S.C. 1758) is amended—
(A) by striking ‘‘aid to families with dependent children under the State plan approved under section 402 of this Act’’ and inserting ‘‘assistance under State programs funded under part A of title IV’’;
and
(B) by redesigning subparagraphs (A) through (F) as paragraphs (1) through (6), respectively.

(j) Section 5(g)(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’’.

(k) Section 9 of the National School Lunch Act (42 U.S.C. 1758) is amended—
(I) in subsection (a)(2)—
(i) in paragraph (2)(C)(i)—
(II) 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 the standards under the State program are comparable to or more restrictive than those in effect on June 1, 1995’’;

(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’’.

(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’’.

CONFORMING AMENDMENTS TO OTHER LAWS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1978 (42 U.S.C. 603a; Public Law 94-956; 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, to the extent and for the period prescribed 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. 4110. CONFORMING AMENDMENTS TO OTHER LAWS.

(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 in cooperation with the States in the promotion of such system, and for other purposes’’, approved June 6, 1933 (29 U.S.C. 461(a)); or
(2) 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.

(c) Section 912 of the Omnibus Budget Reconciliation Act of 1987 (26 U.S.C. 602 note) is repealed.

(d) Section 990 of the Omnibus Budget Reconciliation Act of 1987 (26 U.S.C. 602 note) is repealed.

(e) Section 211 of the Housing and Urban-Rural Recovery Act of 1983 (26 U.S.C. 602 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(f) Section 159 of the Tax Equity and Fiscal Responsibility Act of 1982 (26 U.S.C. 602 note) is repealed.

(g) Section 202(d) of the Social Security Amendments of 1987 (81 Stat. 882: 26 U.S.C. 602 note) is repealed.

(h) Section 203(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (26 U.S.C. 602 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 "eligibility for assistance under a State plan approved"; and

(2) in subsection (c), by striking "aid to families with dependent children under a State plan approved" and inserting "eligibility for assistance under a State plan approved".

(i) The Higher Education Act of 1965 (26 U.S.C. 1001 et seq.) is amended—

(1) in section 404(c)(2) (20 U.S.C. 1070a—231(2)(A)), by striking "aid to Families with Dependent Children"; and

(2) in section 480(b)(2) (20 U.S.C. 1078v(b)(2)), by striking "aid to families with dependent children under a State plan approved" and inserting "eligibility under a State plan funded".


(1) in section 232(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 program funded under part A of title IV of the Social Security Act"; and

(2) in section 232(b)(2)(B) (20 U.S.C. 2341(b)(2)(B)), by striking "the program for aid to families with dependent children" and inserting "the program funded under part A of title IV of the Social Security Act".

(k) The 4th proviso of the Secondary Education Act of 1965 (26 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"; and

(2) in section 5203(b)(2) (20 U.S.C. 6333(c)(5)), by striking "the program of aid to families with dependent children under a State plan approved under part A of title IV of the Social Security Act" and inserting "a State program funded under part A of title IV of the Social Security Act".

(l) The 4th proviso of 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, 1985, on the basis of Aid to Families with Dependent Children (AFDC) standards of need and

(2) on and after October 1, 1985, on the basis 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 by the same percentage as the State has reduced the AFDC or State program payment.

(m) 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 "families approved" and inserting "eligibility for financial assistance under a State program approved".

(n) The Job Training Partnership Act (29 U.S.C. 121(b)(1)), by striking paragraph (A)(vi) and inserting "(vi): and

(1) after April 29, 1985, and before October 1, 1985, on the basis of Aid to Families with Dependent Children (AFDC) standards of need and

(2) on and after October 1, 1985, on the basis 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 by the same percentage as the State has reduced the AFDC or State program payment.

(o) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) in section 160(d) (26 U.S.C. 160(d)), by striking "aid to families with dependent children approved under a State plan approved under part A of title IV of the Social Security Act" and inserting "eligibility for assistance under a State program approved" and inserting "a State program funded";

(2) in section 6013(b)(7)(D)(1) (26 U.S.C. 6013(b)(7)(D)(1)), by striking "aid to families with dependent children approved under a State plan approved" and inserting "a State program funded";

(3) in section 6013(b)(10) (26 U.S.C. 6013(b)(10)), by striking "(c), (d), or (e)" each place it appears and inserting "(c), (d), or (e)"; and

(4) at the end of subparagraph (B) the following new sentence: "Any return of information under this section shall be only disclosed to officers and employees of the State Agency requesting such information.

(p) Section 513(d)(9) (26 U.S.C. 513(d)(9)), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;"

(q) in section 253 (26 U.S.C. 1352)—

(A) in subsection (b)(2), by repealing paragraph (C), and

(B) in paragraph (1)(B) and (2)(B) of subsection (c), by striking "the JOBS program" each place it appears and replacing it with "the JOBS programs";

(r) in section 265 (26 U.S.C. 1355), by striking paragraph (4) and inserting the following:

"(4) the portions of title IV of the Social Security Act relating to work activities;"

(s) in the second sentence of section 429(e) (26 U.S.C. 1605(a)), by striking "and shall be in the amount that may be provided by the State pursuant to section 402(g)(1)(C) of the Social Security Act (42 U.S.C. 610(g)(1)(C))"; and

(t) in section 179(b) (26 U.S.C. 1791(b)), by striking "JOBS" and replacing it with "the JOBS programs."

(u) in section 455(b) (26 U.S.C. 1735(b)), by striking "the "JOBS program" each place it appears and replacing it with "the "JOBS programs.""

(v) in section 401 (26 U.S.C. 1781(b)), by striking "aid to families with dependent children approved under part A of title IV of the Social Security Act" and inserting "eligibility for assistance under the State program funded";

(w) in section 506(b)(1)(A) (29 U.S.C. 1791(e)(1)), by striking "aid to families with dependent children approved under part A of title IV of the Social Security Act" and inserting "eligibility for assistance under the State program funded";

(x) in section 508(a)(2)(A) (29 U.S.C. 1791(a)(2)(A)), by striking "aid to families with dependent children approved under part A of title IV of the Social Security Act" and inserting "eligibility for assistance under the State program funded";

(y) in section 701(b)(2)(A) (29 U.S.C. 1791(b)(2)(A)), by striking "aid to families with dependent children approved under part A of title IV of the Social Security Act" and inserting "eligibility for assistance under the State program funded";

(z) in section 380(a)(1)(A) (42 U.S.C. 1311(a)(1)), by striking subsection (d), and replacing it in part by the following:

"(d) 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 409(e) of the Social Security Act (concerning recovery of overpayments to individuals under plans approved under part A of title IV of such Act) and

(1) in section 7233(b)(3)(C) (26 U.S.C. 7233(b)(3)(C)), by striking "aid to families with dependent children approved under part A of title IV of the Social Security Act" and inserting "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. 4(b)(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."
"(iv) assistance under a State program funded under part A of title IV of the Social Security Act;" (p) Section 2505(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 305(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. 1180(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)), in paragraph (1)(A), 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;" (t) in section 412(e)(4) (8 U.S.C. 1522(e)(4)), by striking "State plan approved" and inserting "State program funded;" (u) 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 under part A of title IV of the Social Security Act;" (v) in section 9 of the Act of April 19, 1950 (64 Stat. 47, chapter 25; 25 U.S.C. 639) is repealed. (w) Subparagraph (E) of section 213(d)(8) of the Social Services Block Grant 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;" (x) Section 552a(a)(8)(B)(iv)(III) of title 5, United States Code, is added by striking "section 464 or 1137 of the Social Security Act") and inserting "section 464, 484, or 1137 of the Social Security Act.

SEC. 4111. 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 consultation with the Attorney General, 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 implementing a 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 enactment of this Act.

SEC. 4112. DISCLOSURE OF RECEIPT OF FEDERAL FUNDS.

(a) IN GENERAL.—Whenever an organization that accepts Federal funds under this title or the amendments made by this title (other than funds provided under title XVI or the Social Security 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 publications, newspaper, magazine, outdoor advertising facility, direct mail, or any other type of general public advertising, such communications 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 title or the amendments made by this title.

(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 made in a paragraph of this Act; and

(2) with respect to any other communications on the date of enactment of this Act.

SEC. 4113. MEDI-Cal PROGRAM: CONTINUING OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 1931 of the Family Support Act of 1988 (42 U.S.C. 1396a) is amended—

(1) in the heading, by striking "DEMONSTRATION;" and

(2) by striking demonstration" each place such term appears.

(3) in subsection (a)(2), by striking "in each of fiscal years" and all that follows through "enter into agreements with" and inserting "and 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 "aid to families with dependent children under the Social Security Act of the State in which the individual resides;" and

(b) in section 1931, by inserting "subject to the State program funded part A of title IV of the Social Security Act" and inserting "part A of title IV of the Social Security Act" and inserting "aid to families with dependent children under the Social Security Act of the State in which the individual resides;" (b) in subsection (c), by striking "aid to families with dependent children under title IV of the Social Security Act" and inserting "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "aid to families with dependent children under the Social Security Act of the State in which the individual resides;" and

(c) in subsection (d), by striking "aid to families with dependent children under part A of title IV of the Social Security Act" and inserting "aid to families with dependent children under the Social Security Act of the State in which the individual resides;" and

SEC. 4114. 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 this section referred to as the "Commissioner") shall, in consultation with the Attorney General, submit to both the Committees on Ways and Means and the Committee on Finance a legislative proposal containing such technical and conforming amendments as are necessary to bring the law into conformity with the policy embodied in this subtitle.

SEC. 4115. SECRETARIAL SUBMISSION OF AMENDMENTS TO MEDICAID PROGRAM.

(a) IN GENERAL.—Title XIX is amended—

(1) in section 1931, by inserting "subject to section 1931(a)," in subsection (a) after "unemployment title," redesignating such section as section 1932; and

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

"CONTINUED APPLICATION OF STANDARDS AND METHODOLOGIES UNDER PART A OF TITLE IV FOR CERTAIN INDIVIDUALS.

"SEC. 1931. (a) For purposes of applying this title with respect to a State, notwithstanding any other provision of this title—

"(1) except as provided in paragraphs (2) through (4), 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, applies to a waiver of authority, extension of such plan or plan as in effect as of July 16, 1996, with respect to the State and eligibility for medical assistance under this title shall be the waiver which would otherwise be in effect as of the date of enactment of this Act, if the waiver would otherwise expire.

"(2) any reference in section 1902(a)(5) or 1902(a)(5) to a State plan approved under part A of title IV shall be deemed a reference to a State program funded under such part;

"(3) a State may provide that any income standard under the State plan referred to in paragraph (1) (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, applies to a waiver of authority, extension of such plan or plan as in effect as of July 16, 1996, with respect to the State and eligibility for medical assistance under this title shall be the waiver which would otherwise be in effect as of the date of enactment of this Act, if the waiver would otherwise expire;

"(4) in applying section 1932, medical assistance is required to be provided under such section only if it is required to be provided under section 1931 as amended; and

"(b) 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 16, 1996, if the waiver affirmatively provides for medical assistance under this title, such waiver may continue to be applied, at the option of the State, in relation to this title after the date the waiver would otherwise expire.

(b) PLAN AMENDMENT.—Section 1902(a) (42 U.S.C. 1396a(a)) is amended—
(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—
(i) UNDER AFDC PROGRAM.—The total obligations of the Federal Government to a State under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to expenditures in fiscal year 1997 shall not exceed an amount equal to—
(aa) the State family assistance grant; multiplied by
(bb) ½ of the number of days during the period that begins on the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 4103(a)(1) of this Act) and ends on September 30, 1996; and
(ii) for fiscal year 1997, shall be an amount equal to—
(aa) the amount (if any) by which the State family assistance grant exceeds 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 in fiscal year 1997; or
(bb) the State family assistance grant, multiplied by ½ of the number of days during the period that begins on October 1, 1996, or the date the Secretary of Health and Human Services first receives from the State a plan described in section 402(a) of the Social Security Act (as added by the amendment made by section 4103(a)(1) of this Act), whichever is later, and ends on September 30, 1997.
(ii) 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 obligations of the Federal Government with respect to child care expenditures by the State.
(C) SUBMISSION OF STATE PLAN FOR FISCAL YEAR 1996 OR SUBSEQUENT FISCAL YEARS;a plan by a State pursuant to subsection (a) of section 402 of the Social Security Act (as amended by the amendment made by such section 402(a)(1) of this Act), whichever is earlier, and ends on September 30, 1996, shall be deemed to constitute—
(i) the State's acceptance of the grant reductions under subparagraph (B) (including the formula for computing the amount of the reduction); and
(ii) the termination of any entitlement of any individual or family to benefits or services under the State AFDC program.
(D) DEFINITIONS.—As used in this paragraph:
(i) STATE AFDC PROGRAM.—The term "State AFDC program" means the State program under part A 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.
(iii) STATE FAMILY ASSISTANCE GRANT.—The term "State family assistance grant" means the State family assistance grant (as defined in section 402(a)(1)(B) of the Social Security Act, as added by the amendment made by section 433(c)(1) of this Act).
(2) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this subsection 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 subtitle under the provisions amended; and
(B) administrative actions and proceedings commenced before such date to which such provisions amended; and
(C) CONFORMING AMENDMENTS.—(1) Section 1903(c) (42 U.S.C. 1396b(c)) is amended by adding to such section, at the end of such section, the following new paragraph:
"(3) provide for continuing to administer eligibility standards with respect to individuals who are (or seek to be) eligible for medical assistance based on the application of section 1931."
(2) Section 1903(i) (42 U.S.C. 1396b(i)) is amended by striking paragraph (9).
(3) Section 1903(p) (42 U.S.C. 1396b(p)(1)) is amended by redesignating paragraph (63) as paragraph (64) and inserting as a condition of payment for receiving medical assistance under this title.
(2) Notwithstanding any other provisions of this section, paragraphs (2), (3), (4), (a), and (b) of section 403(a) of the Social Security Act (as in effect on September 30, 1997) with respect to assistance or services provided under part A of title IV of the Social Security Act (as in effect on September 30, 1995) with respect to assistance or services provided or 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.
(3) The State shall make the filing of all claims under the State plan (as so in effect) within 2 years after the date of the enactment of this Act. The head of each Federal department shall—
(A) promulgate rules to submit 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 subtitle.
(4) CONTINUANCE IN OFFICE OF ASSISTANT SECRETARY FOR FAMILY SUPPORT.—The individual who, on the day before the effective date of this subtitle, served 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 4103(a)) with respect to assistance or services provided under part A of title IV of the Social Security Act (as in effect on September 30, 1995).
that begins on the date the person is convicted in Federal or State court of having made a fraudulent statement or representation with respect to the place of residence of the person 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 under 2 or more States under the supplemental security income program under this title.

(B) As soon as practicable after the conviction in Federal or State court as described in subparagraph (A), an official of such court shall notify the Commissioner of such conviction.

(b) EFFECTIVE DATE.—The amendment made by this subsection shall apply to any individual under an agreement entered into under clause (i) or to information exchanged pursuant to such agreement.

(II) The Commissioner is authorized to provide, on a periodic basis, the information obtained pursuant to agreements entered into under clause (i) to any Federal or federally-assisted cash, food, or medical assistance program.

(III) The dollar amounts specified in clause (i)(II) shall be reduced by 50 percent if the Commissioner is also required to make a payment to the institution with respect to the same individual under an agreement entered into under section 202(x)(3)(B).

(iv) Payments to institutions required by clause (ii)(B) or (ii)(C) shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

SEC. 4202. DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.

(a) IN GENERAL.—Section 202(x)(2) and 1611(e)(1) of the Social Security Act (as added by this section), is amended by adding at the end the following new paragraph:

"(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to any agreement entered into after the first day of the seventh month beginning after the month in which this Act is enacted.

(b) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—Within 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall submit to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives a list of the institutions that are and are not providing information obtained pursuant to agreements entered into under clause (i) to any Federal or federally-assisted cash, food, or medical assistance program for eligibility purposes.

(2) ADDITIONAL REPORT TO CONGRESS.—Not later than October 1, 1996, the Commissioner of Social Security shall submit a report on the results of the study conducted under paragraph (1) to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives.
whether regulations have been issued to im-
to account in determining whether an indi-
cidual is disabled;” and
(5) in subparagraph (F), as redesignated by
paragraph (3), by striking “(D)” and insert-
ning “(E)”.
(b) CHANGES TO CHILDHOODSSI REGULA-
TIONS.—
(i) MODIFICATION TO MEDICAL CRITERIA FOR
EVALUATION OF MENTAL AND EMOTIONAL DIS-
ORDERS.—The Commissioner of Social Secu-
rity shall modify sections 112.00C.2 and 112.02B.2.
(c) CONFORMING AMENDMENTS.—
(1) Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—
(A) by striking “(i)” before “to restore”; and
(B) by inserting “, which shall be paid
through proportionate reductions in such
benefits over a period of not more than 6
months” before the semicolon.
(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended—
(A) by striking “(i)” before “to restore”; and
(B) by inserting “, which shall be paid
through proportionate reductions in such
benefits over a period of not more than 6
months” before the semicolon.
(3) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended—
(A) by striking “(i)” before “to restore”; and
(B) by inserting “, which shall be paid
through proportionate reductions in such
benefits over a period of not more than 6
months” before the semicolon.
(c) CONFORMING AMENDMENTS.—
(1) Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—
(A) by striking “(i)” before “to restore”; and
(B) by inserting “, which shall be paid
through proportionate reductions in such
benefits over a period of not more than 6
months” before the semicolon.
(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended—
(A) by striking “(i)” before “to restore”; and
(B) by inserting “, which shall be paid
through proportionate reductions in such
benefits over a period of not more than 6
months” before the semicolon.
(d) EFFECTIVE DATES.—
(1) In GENERAL.—The amendments made by
this section shall apply to applications for
benefits under title XVI of the Social Secu-
rity Act, including all claims filed on or after the
enactment of this Act, without regard to whether
regulations have been issued to im-
plement such amendments.
(2) EFFECTS ON BENEFITS 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.
CHAPTER 2—BENEFITS FOR DISABLED
CHILDREN
SEC. 4321. DEFINITION AND ELIGIBILITY RULES.
(a) DEFINITION OF CHILDHOOD DISABILITY.—
Section 1614(a)(3) (42 U.S.C. 1381a(a)(3)), as
amended by section 105(b)(1) of the Contract
With America Advancement Act of 1996, is amended—
(1) in subparagraph (A), by striking “An
individual” and inserting “Except as provided
in paragraph (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 determina-
ble physical or mental impairment of compar-
able severity”;
(3) by redesigning subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively;
(4) in subparagraph (A), by striking “if
any individual under the age of 18
shall be considered disabled for the
purposes of this title if that individual has a med-
ically 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.
(5) The Commissioner shall ensure that
the combined effects of all physical or men-
tal impairments of an individual, as
well as any physical or mental impairments
that an individual has, are taken into
account in determining whether an
individual is disabled in accordance with clause
(i);
(6) The Commissioner shall ensure that
the regulations prescribed under this sub-
paragraph provide for the evaluation of chil-
dren who cannot be tested because of their
young age.
(7) Notwithstanding the preceding provi-
sions of this subparagraph, no individual
under the age of 18 who engages in substan-
tial gainful activity (determined in accord-
ance with regulations prescribed pursuant to
section 216(c)(4)) may be considered to be
disabled.”; and
(8) in paragraph (3), by striking “(D)” and insert-
ning “(E)”.
(b) CHANGES TO CHILDHOODSSI REGULA-
TIONS.—
(i) MODIFICATION TO MEDICAL CRITERIA FOR
EVALUATION OF MENTAL AND EMOTIONAL DIS-
ORDERS.—The Commissioner of Social Secu-
rity shall modify sections 112.00C.2 and 112.02B.2.
(c) CONFORMING AMENDMENTS.—
(1) Section 1614(a)(4) (42 U.S.C. 1382(a)(4)) is amended—
(A) by striking “(i)” before “to restore”; and
(B) by inserting “, which shall be paid
through proportionate reductions in such
benefits over a period of not more than 6
months” before the semicolon.
(2) Section 1631(g)(3) (42 U.S.C. 1382j(g)(3)) is amended—
(A) by striking “(i)” before “to restore”; and
(B) by inserting “, which shall be paid
through proportionate reductions in such
benefits over a period of not more than 6
months” before the semicolon.
(d) EFFECTIVE DATES.—
(1) In GENERAL.—The provisions of this
section shall apply to applications for
benefits under title XVI of the Social Security
Act on or after the date of the enactment of this
Act, without regard to whether regulations have
been issued to implement such amendments.
(2) APPLICATION TO CURRENT RECIPIENTS.—
The Commissioner of Social Security shall
redetermine the eligibility of any individual
under age 18 who is eligible for supplemental
security income benefits by reason of dis-
ability 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
amendments made by, subsections (a) and
(b), with respect to any redetermination
under this subparagraph—
(i) section 1614(a)(4) of the Social Security
Act (42 U.S.C. 1382(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 redeter-
mination priority over all continuing eligi-
bility reviews and other reviews under such
title; and
(iv) such redetermination shall be counted
as a redetermination otherwise required
to be made after section 208 of the Social Security
Independence and Program Improvements Act of 1994 or any other provi-
sion of title XVI of the Social Security
Act.
(B) GRANDFATHER PROVISION.—The provi-
sions of, and amendments made by, subsections (a) and (b), and the redetermination
under subsection (a) with respect to the benefits of an individual described in paragraph
(A) for months beginning on or after the date of the redeter-
mination with respect to such benefits;
(C) NOTICE.—Not later than January 1, 1997, the Commissioner of Social Security
shall notify an individual described in subpara-
graph (A) of the provisions of this paragraph.
(D) PROVISION.—The Commissioner of Social
Security shall report to the Congress regard-
ing the progress made in implementing the
provisions of, and amendments made by, this
section, with respect to children under the
Social Security Act at least 45 days before the
end of the second calendar year beginning not later than 180 days after the date of the en-
actment of this Act.
(E) REGULATIONS.—Notwithstanding any other
provision of law, the Commissioner of Social
Security shall submit for review to the com-
mittees of jurisdiction in the Con-
gress any final regulation pertaining to the eligi-
bility criteria for new applicants for benefits under title XVI of the Social Secu-
rit y Act at least 45 days before the effective
date of such regulation. The submission under this paragraph shall include supporting documentation providing a cost analysis, with respect to the project actions as to how the regulation will effect the future number of recipients under such title.

(5) BENEFITS UNDER TITLE XVI.—For purposes of this subsection, the term "benefits under title XVI of the Social Security Act" shall include supplemental 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. 4212. 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 4211(a)(3) of this Act, is amended—

(i) by inserting "(i)" after "(b)"; and

(ii) by adding at the end the following new clause:

"(ii) Not less frequently than once every 3 years the Commissioner shall take into
consideration paragraph (4) the continued eligibility for benefits under this title for each individual who has not attained 18 years of age and is eligible for such benefits for reason of an impairment (or combination of impairments) which is likely to improve (or, at the option of the Commissioner, which is unlikely to improve).

"(III) A representative payee 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.

"(IV) If the representative payee refuses to comply with good cause with the requirements of subclause (II), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

(b) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—

(1) Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by subsection (a) of this section, is amended by adding at the end the following new clause:

"(i) Not later than 12 months after the birth of an individual, the Commissioner shall review in accordance with paragraph (4) the continued eligibility for benefits under this title by reason of disability for an individual whose low birth weight is a contributing factor material to the Commissioner's determination that the individual is disabled.

"(ii) A review under subsection (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 representative payee 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.

"(IV) If the representative payee refuses to comply with good cause with the requirements of subclause (II), the Commissioner of Social Security shall, if the Commissioner determines it is in the best interest of the individual, promptly suspend payment of benefits to the representative payee, and provide for payment of benefits to an alternative representative payee of the individual or, if the interest of the individual under this title would be served thereby, to the individual.

"(V) Subclause (III) shall not apply to the representative payee of any individual with respect to whom the Commissioner determines such application would be inappropriate or unnecessary. In making such determination, the Commissioner shall take into consideration the nature of the individual's impairment (or combination of impairments). Section 1631(c) shall not apply to a finding by the Commissioner that the requirements of subclause (III) do not apply to an individual's representative payee.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning on or after the date of the enactment of this Act, notwithstanding whether regulations have been issued to implement such amendments.

SEC. 4213. ADDITIONAL ACCOUNTABILITY REQUIREMENTS.

(a) DISPOSAL OF RESOURCES FOR LESS THAN FAIR MARKET VALUE.

(1) IN GENERAL.—Section 1613(c) (42 U.S.C. 1382b(c)) is amended to read as follows:

"(c) Disposal of Resources for Less Than Fair Market Value

"(i) (A)(i) If an individual who has not attained 18 years of age (or any person acting on such individual's behalf) disposes of resources of the individual for less than fair market value on or after the look-back date specified in clause (ii), the individual is eligible for benefits under this title for months during the period beginning on the date specified in clause (ii) and equal to the number of months specified in clause (iv).

"(ii)(I) The look-back date specified in this subsection is a date that is 36 months before the date specified in clause (ii).

"(II) The date specified in this subsection is the date on which the individual applies for benefits under this title or, if later, the date on which the disposal of the individual's resources was disposed of or after the look-back date specified in clause (i), divided by

"(III) The amount of the maximum monthly benefit payable under section 1611(b) to an eligible individual for the month in which the date specified in clause (ii) occurs.

"(IV) An individual shall not be ineligible for benefits under this title by reason of subparagraph (A) if the Commissioner determines—

"(i) the individual intended to dispose of the resources at fair market value;

"(ii) the resources were transferred exclusively for the purpose of enabling the resource to be transferred to an alternative use rather than to qualify for benefits under this title;

"(iii) all resources transferred for less than fair market value have been returned to the individual or, if the denial of eligibility would work an undue hardship on the individual (as determined on the basis of criteria established by the Commissioner in regulations),

"(IV) Notwithstanding subparagraph (A), this subsection shall not apply to a transfer of a portion of the trust attributable to such resource is considered a resource available to the individual pursuant to subsection (e)(3) or would be so considered but for the application of subsection (e)(4).

"(i) In the case of a trust established by an individual (within the meaning of subsection (e)(3)(A)), if from such portion of the trust (if any) that is considered a resource available to the individual pursuant to subsection (e)(3) or would be so considered but for the application of subsection (e)(4) or the interests of such portion) is transferred to any individual or by any other person, that reduces the individual's ownership or control of such resource.

"(ii) There is made a payment other than to or for the benefit of the individual, or

(b) DISABILITY ELIGIBILITY REDETERMINATIONS FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by section 4211(a)(3) of this Act, is hereby repealed.

SEC. 4214. BENEFITS UNDER TITLE XVI DURING THE 1ST YEAR OF LIFE.

(1) IN GENERAL.—Section 1613(c) (42 U.S.C. 1382b(c)) is amended to read as follows:

"(c) Benefits Under Title XVI During the 1st Year of Life

"(i) (A) (i) If an individual who has not attained 18 years of age (or any person acting on such individual's behalf) disposes of resources of the individual for less than fair market value on or after the look-back date specified in clause (ii), the individual is eligible for benefits under this title for months during the period beginning on the date specified in clause (ii) and equal to the number of months specified in clause (iv).

"(ii)(I) The look-back date specified in this subsection is a date that is 36 months before the date specified in clause (ii).

"(II) The date specified in this subsection is the date on which the individual applies for benefits under this title or, if later, the date on which the disposal of the individual's resources was disposed of or after the look-back date specified in clause (i), divided by

"(III) The amount of the maximum monthly benefit payable under section 1611(b) to an eligible individual for the month in which the date specified in clause (ii) occurs.

"(IV) An individual shall not be ineligible for benefits under this title by reason of subparagraph (A) if the Commissioner determines—

"(i) the individual intended to dispose of the resources at fair market value;

"(ii) the resources were transferred exclusively for the purpose of enabling the resource to be transferred to an alternative use rather than to qualify for benefits under this title;

"(iii) all resources transferred for less than fair market value have been returned to the individual or, if the denial of eligibility would work an undue hardship on the individual (as determined on the basis of criteria established by the Commissioner in regulations),

"(IV) Notwithstanding subparagraph (A), this subsection shall not apply to a transfer of a portion of the trust attributable to such resource is considered a resource available to the individual pursuant to subsection (e)(3) or would be so considered but for the application of subsection (e)(4).

"(i) In the case of a trust established by an individual (within the meaning of subsection (e)(3)(A)), if from such portion of the trust (if any) that is considered a resource available to the individual pursuant to subsection (e)(3) or would be so considered but for the application of subsection (e)(4) or the interests of such portion) is transferred to any individual or by any other person, that reduces the individual's ownership or control of such resource.

"(ii) There is made a payment other than to or for the benefit of the individual, or

(b) DISABILITY ELIGIBILITY REDETERMINATIONS FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H) (42 U.S.C. 1382c(a)(3)(H)), as amended by section 4211(a)(3) of this Act, is hereby repealed.
of ineligibility for benefits under this title for individuals who make certain disposi-
tions of resources for less than fair market value, and inform such individual that infor-
mation obtained pursuant to clause (ii) may be used to an agreement entered into under section
212(b) of Public Law 93-66.

(2) EFFECTIVE DATE.—The amendment made by this subsection shall be effective with respect to transfers that occur at least 90 days after the date of the enactment of this Act.

(b) TREATMENT OF ASSETS HELD IN TRUST.—(42 U.S.C. 1332) is amended by adding at the end the following new subsection:

"'Trusts' "

'(e)(1) In determining the resources of an individual who has not attained 18 years of age, the provisions of paragraph (3) shall apply to any trust established by such individual.

'(2)(A) For purposes of this subsection, an individual shall be considered to have established a trust if any assets of the individual were transferred to the trust.

'(B) In the case of an irrevocable trust to which the assets of an individual and the assets of any other person or persons were transferred, the provisions of this subsection shall apply to the portion of the trust attributable to the assets of the individual.

'(C) This subsection shall apply without regard to—

'(i) the purposes for which the trust is established;

'(ii) whether the trustees have or exercise any discretion under the trust;

'(iii) any restrictions on when or whether distributions may be made from the trust; or

'(iv) any restrictions on the use of distributions from the trust.

'(3)(A) In the case of a revocable trust, the corpus of the trust shall be considered a resource available to the individual.

'(B) In the case of a revocable trust, if there are any circumstances under which payment from the trust could be made to or for the benefit of the individual, the portion of such payment to or for the benefit of the individual could be made shall be considered a resource available to the individual.

'(C) The Commissioner may waive the application of this subsection with respect to any individual if the Commissioner determines, on the basis of criteria prescribed in regulations, that such application would work an undue hardship on such individual.

'(D) For purposes of this subsection—

'(A) the term 'trust' includes any legal instrument or device that is similar to a trust;

'(B) the term 'instrument or device that is similar to a trust';

'(C) the term 'asset' includes any income or resource of the individual, including—

'(I) any income otherwise excluded by subsection 1613(e)(2);

'(II) any resource otherwise excluded by this section; and

'(III) any other payment or property that the individual is entitled to but does not receive or have access to because of action by—

'(a) such individual;

'(b) a person or entity (including a court) acting at the direction of, or upon the request of, such individual; and

'(c) 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.

(2) TREATMENT AS INCOME.—Section 1511(b)(2) of the Social Security Act (42 U.S.C. 1328a(b)(2)) is amended—

'(A) by striking "and" at the end of subparagraph (F) and inserting ";"; and

'(B) by striking the period at the end of subparagraph (F) and inserting ";"; and

'(C) by adding at the end the following new subparagraph:

"'(G) any earnings of, and additions to, the corpus of a trust (as defined in section 1613(d) established by an individual (within the meaning of section 1613(d)(2)(A)) and of which such individual is a beneficiary, other than a trust to which section 1613(e)(4) applies, except that in the case of an irrevocable trust, there shall exist circumstances under which payment from such earnings or additional payments made to or for the benefit of such individual.".

'(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date which is 90 days after the date of the enactment of this Act, and shall apply to trusts established on or after such date.

(c) REQUIREMENT TO ESTABLISH ACCOUNT. —Section 1611(e)(1)(B) of the Social Security Act (42 U.S.C. 1332(a)(2)) is amended—

'(A) by designating paragraphs (F) and (G) as subparagraphs (F) and (H), respectively;

'(B) by inserting after subparagraph (E) the following new subparagraph:

"'(F)(i) Each representative payee of an eligible individual under the age of 18 who is eligible for the payment of benefits described in subclause (II) shall establish on behalf of such individual an account in a financial institution in which such benefits shall be paid, and shall maintain such account for use in accordance with clause (ii).

"'(II) Benefits described in this subclause are payable to the representative payee by the title (which, for purposes of this subclause, include State supplementary payments made by the Commissioner pursuant to an agreement under section 212(b) of Public Law 93-66) in an amount (after any withholding by the Commissioner for reim-

bursement to a State for interim assistance under subclause (g) that exceeds the product of—

'(aa) 6, and

'(bb) the maximum monthly benefit payable under this title to an eligible individual.

'(B) by including in the account established under clause (i) to pay for allowable expenses de-
scribed in subclause (II).

'(C) An allowable expense described in this subclause is an expense for—

'(aa) education or job skills training;

'(bb) personal needs assistance;

'(cc) special equipment;

'(dd) housing modification;

'(ee) medical treatment;

'(ff) therapy or rehabilitation; or

'(gg) any other item or service that the Commissioner determines to be appropriate; provided that such expense benefits such indi-
dividuals whose medical costs are covered by private insurance.
(I) by striking "title XIX, or" and inserting "title XIX, and"; 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)(1)(D)(ii) of the Social Security Act after the date of the enactment of this Act, the Commissioner of Social Security 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 supplemental 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.

Paragraph (A).—Subject to paragraph (10), the amendment made by section 212(b) of Public Law 93-66 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 payable under this subparagraph shall exceed an amount equal to the product of—

(1) 12, and

(2) the maximum monthly benefit payable to this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse).

then the payment of such past-due benefits from benefits payable under title XVI of the Social Security Act with respect to such individual.

(3) BENEFITS PAYABLE UNDER TITLE XVI.—For purposes of this section, "benefits payable under title XVI of the Social Security Act" includes supplemental payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act entered into under section 212(b) of Public Law 93-66.

SEC. 4222. RECOVERY OF SUPPLEMENTAL SECURITY INCOME OVERPAYMENTS FROM SOCIAL SECURITY BENEFITS.

(a) In General.—Subject to paragraph (10), the amendments made by section 212(b) of Public Law 93-66 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 payable under this subparagraph shall exceed an amount equal to the product of—

(1) 12, and

(2) the maximum monthly benefit payable to this title to an eligible individual (or, if appropriate, to an eligible individual and eligible spouse).

then the payment of such past-due benefits shall be made in not to exceed 3 installments that are made at 6-month intervals.

PAST-DUE PAYMENTS WHICH WERE PAID UNDER AN AGREEMENT ENTERED INTO UNDER SECTION 212(b) OF PUBLIC LAW 93-66.

(b) CONFORMING AMENDMENT.—Section 1631(a)(3)(B) of the Social Security Act is amended by inserting "(subject to paragraph (10))" in the place where it first appears.

(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 section, "benefits payable under title XVI of the Social Security Act" includes supplemental payments pursuant to an agreement for Federal administration under section 1616(a) of the Social Security Act entered into under section 212(b) of Public Law 93-66.

SEC. 4223. REGULATIONS.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this chapter.

CHAPTER 4—STATE SUPPLEMENTATION PROGRAMS

SEC. 4225. REPEAL OF MAINTENANCE OF EFFORT REQUIREMENTS APPLICABLE TO DISTRICT OF COLUMBIA.

Within 3 months after the date of the enactment of this Act, the Commissioner of Social Security shall prescribe such regulations as may be necessary to implement the amendments made by this chapter.

CHAPTER 5—STUDIES REGARDING SUPPLEMENTAL SECURITY INCOME PROGRAM

SEC. 4231. ANNUAL REPORT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM.

Title XVI of the Social Security Act is hereby repealed.
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) 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 subparts, including the appropriate method of performing comprehensive assessments of individuals under age 18 with physical and mental impairments;

(3) the operation of the disability program, 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 I 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

(4) the feasibility of designating the applicable entity, to submit an interim report and a final report of the findings and recommendations regarding the

(A) adequacy of Federal efforts in rehabilitating and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(B) adequacy of Federal 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 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. 4242. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—(1) In carrying out its study, 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 political party as the President;

(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) 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 Leader of the Senate, the Speaker and the Majority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the general interest of the community and the diversity of individuals with disabilities in the United States.

(b) COMPENSATION.—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. 4233. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1999, 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 subtitle on the subsidies of income security 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.

CHAPTER 6—NATIONAL COMMISSION ON THE FUTURE OF DISABILITY

SEC. 4241. ESTABLISHED.

There is established a commission to be known as the National Commission on the Future of Disability (referred to in this chapter as the "Commission").

SEC. 4242. DUTIES OF 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—

(i) trends and projections regarding the size and characteristics of the population of individuals with disabilities, and the implications of such analyses for program planning;

(ii) the feasibility and design of performance standards for the Nation’s disability programs;

(iii) the adequacy of Federal efforts in rehabilitating and training, and opportunities to improve the lives of individuals with disabilities through all manners of scientific and engineering research; and

(iv) the adequacy of Federal 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—

(i) which Federal disability programs should be eliminated or augmented;

(ii) what new Federal disability programs (if any) should be established;

(iii) the suitability of the organization and location of disability programs within the Federal Government;

(iv) other actions the Federal Government should take to prevent disabilities and disadvantages associated with disabilities; and

(v) such other matters as the Commission considers appropriate.

SEC. 4243. MEMBERSHIP.

(a) NUMBER AND APPOINTMENT.—(1) In carrying out its study, 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 political party as the President;

(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) 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 Leader of the Senate, the Speaker and the Majority Leader of the House of Representatives shall seek to ensure that the membership of the Commission reflects the general interest of the community and the diversity of individuals with disabilities in the United States.

(b) COMPENSATION.—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. 4233. STUDY BY GENERAL ACCOUNTING OFFICE.

Not later than January 1, 1999, 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 subtitle on the subsidies of income security 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.
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) MAILING.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

SEC. 4346. REPORTS.

(a) INTERIM REPORT.—Not later than 1 year prior to the date on which the Commission terminates pursuant to section 4247, 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) were accepted.

(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. 4347. TERMINATION.

The Commission shall terminate on the date that is 2 years after the date on which the President makes a finding under paragraph (2) of section 4302 of the Personal Responsibility and Work Opportunity Act of 1996.

Subtitle C—Child Support

SEC. 4300. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this subtitle an amendment is expressed in terms of an amendment to or reenactment 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.

CHAPTER 1—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

SEC. 4301. 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:

"(c) in subparagraph (B), by inserting "in any other case".

(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) BEFORE OCTOBER 1, 1997.—With respect to any support arrearage that—

"(aa) accrued before the family ceased to receive assistance; and

"(bb) are collected before October 1, 1997.

(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—(I) BEFORE OCTOBER 1, 1997.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(II) as in effect and applied on the day before the date of the enactment of section 4302 of the Personal Responsibility and Work Opportunity Act of 1996) shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family ceased to receive assistance, and

"(bb) are collected before October 1, 1997.

(ii) AFTER OCTOBER 1, 1997.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(II) as in effect and applied on the day before the date of the enactment of section 4302 of the Personal Responsibility and Work Opportunity Act of 1996) shall apply with respect to the distribution of support arrearages that—

"(aa) accrued before the family ceased to receive assistance; and

"(bb) are collected before October 1, 1997.

(2) in paragraph (4)(A) (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 of the amount so collected, but only to the extent necessary to reimburse amounts paid to the family as assistance by the State.

"(ii) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division (va) nor division (bb) applies to the amount so collected, the State shall distribute the amount so collected to the family as assistance by the State.

"(iii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—(I) BEFORE OCTOBER 1, 2000.—Except as provided in subclause (II), the provisions of this section (other than subsection (b)(II)) as in effect and applied on the day before the date of the enactment of section 4302 of the Personal Responsibility and Work Opportunity 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) AFTER OCTOBER 1, 2000.—Unless, based on the report required by paragraph (4), the Commission determines otherwise, the amount so collected shall be distributed to the family as assistance by the State as follows:

"(I) 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:

"(i) 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.
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 to the extent necessary to reimburse amounts paid to the family as assistance by the State.

(2) DISTRIBUTION OF THE REMAINDER TO THE FAMILY.—To the extent that neither division of the family received assistance under this section, the amount so collected shall be paid to the family as assistance by the State.

(iii) DISTRIBUTION OF ARREARAGES THAT ACCUMULATED DURING FAMILY RECEIVED ASSISTANCE.—In the case of a family described in this subparagraph, unless an earlier effective date is required by this section, effective October 1, 2000, the State shall distribute the amount to the family.

(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 amounts paid to the family as assistance by the State.

(a) CONTENTS.—The automated system required by this section shall include a record maintained in the State case registry with respect to each support order established or modified; and

(b) USE OF DATA.—The Secretary shall establish uniform identification numbers, including—

(1) UNIFORM IDENTIFICATION NUMBERS.—The Secretary shall establish uniform identification numbers, including—

(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish, modify, or terminate support; and

(B) prohibitions against the release of information on the whereabouts of a party to another party against whom a protective order has been issued.

(2) EFFECTIVE DATE.—The amendment made by subsection (a) shall become effective on October 1, 1997.

SEC. 4311. STATE CASE REGISTRY.

Section 431A, as added by section 434A(a)(2) of this Act, is amended by adding at the end the following new subsection:

(‘(11)”(B) with a copy of any order establishing or modifying child support obligation, or in the case of an order 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, 1998.

CHAPTER 2—LOCATE AND CASE TRACKING

SEC. 4312. USE OF STANDARDIZED DATA ELEMENTS.

Section 4312, as added by section 434B of this Act, is amended by adding at the end the following new subsection:

(‘(2) “(B) the use of standardized data elements such as names, social security numbers and other uniform identification numbers, dates of birth, case numbers, addresses and contain such other information (such as case status) as the Secretary may require.”

(4) PAYMENT RECORDS.—Each case record in the State case registry system which contains, with respect to which services are being provided under the State plan approved under this part and with
(E) the amount of any lien imposed with respect to a case described in paragraph (2) 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), the amendments made by this section, any State which, as of January 1, 1994, and in which the income of the noncustodial parent are subject to withholding pursuant to section 456(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 as described in paragraph (1), in the case of a contract, with such contract, to which the State agency—
[(i) has obtained authority to operate in the case of an agreement, with the Secretary, by the State pursuant to section 454(4)); and
[(D) the amount of any lien imposed with respect to a case described in paragraph (2) 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
[(ii) using uniform formats prescribed by the Secretary.
[(B) ongoing monitoring to promptly identify failures to make timely payment of support orders, and
[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
[(D) BUSINESS DAY DEFINED.—As used in paragraph (1), the term 'business day' means a day on which State offices are open for regular business.
[(a) Collection and Distribution of Support Payments.—
[b) Establishment of State Disbursement Unit.—Part D of title IV (42 U.S.C. 651-669). as amended by section 434(a)(2) of this Act, is amended by inserting after section 454A the following new section:
"SEC. 454B. COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.
(a) State Disbursement Unit.—
[(1) In GENERAL.—In order for a State to meet the requirements of section 454(c), and in the case of a contract, against the State agency—
[(D) the amount of any lien imposed with respect to a case described in paragraph (2) 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
[(ii) using uniform formats prescribed by the Secretary.
[(B) ongoing monitoring to promptly identify failures to make timely payment of support orders, and
[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
[(ii) using uniform formats prescribed by the Secretary.
[(B) ongoing monitoring to promptly identify failures to make timely payment of support orders, and
[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
[(D) the amount of any lien imposed with respect to a case described in paragraph (2) 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
[(ii) using uniform formats prescribed by the Secretary.
[(B) ongoing monitoring to promptly identify failures to make timely payment of support orders, and
[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
[(ii) using uniform formats prescribed by the Secretary.
[(B) ongoing monitoring to promptly identify failures to make timely payment of support orders, and
[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
[(ii) using uniform formats prescribed by the Secretary.
[(B) ongoing monitoring to promptly identify failures to make timely payment of support orders, and
[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
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[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
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[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
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[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
[(ii) using uniform formats prescribed by the Secretary.
[(B) ongoing monitoring to promptly identify failures to make timely payment of support orders, and
[(C) automatic use of enforcement procedures (including procedures authorized pursuant to section 468(c) if payments are not timely made.
[(ii) using uniform formats prescribed by the Secretary.
(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports pursuant to paragraph (3) of subsection (a) 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 Federal Government employer, whose employees are instrumentalities 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.

"(D) 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—

"(1) not later than 20 days after the date the employer hires the employee; or

"(2) 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.

"(E) 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 mail, by facsimile, magnetic tape, magnetically, or electronically.

"(F) CIVIL MONEY PENALTIES ON NON-COMPLYING EMPLOYERS.—The State shall have the right to assess a civil money penalty which shall be less than—

"(1) $25; or

"(2) $500, if under State law, the failure to meet the requirements of subparagraph (A)(i) and (B) or subparagraph (C) is not remedied within 30 days after the date the report was required to be made.

"(G) 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).

"(H) INFORMATION COMPARISONS.— The Secretaries of the Treasury and Labor and the Director of the National Directory of New Hires shall conduct automatic 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 directory for cases of matching names, addresses, and social security numbers of an employee.

"(I) 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 directory for cases of matching names, addresses, and social security numbers of an employee.

"(J) TRANSMISSION OF INFORMATION.—The Secretary of Labor and the State may disclose to any agent of the agency that is under contract with the Secretary or to any agent of any agency that is under contract with the agency that is under contract with the Secretary, any information received under this paragraph, and information disclosed to an officer or employee of the agency, to enforcement under the State plan.

"(K) DISCLOSURE TO CERTAIN AGENTS.—Section 303(e) (42 U.S.C. 6602(c)(4)) is amended by inserting 'and may disclose such information to any agent of the agency that is under contract with the Secretary, or to any agent of any agency that is under contract with the agency that is under contract with the Secretary, any information received under this paragraph, and information disclosed to an officer or employee of the agency, to enforcement under the State plan.'
(b) DEFINITION OF INCOME.—

(i) IN GENERAL.—Section 466(b)(8) (42 U.S.C. 666(b)(8)) is amended to read as follows:

(8) For purposes of subsection (a) and this section, the term "income" means any periodic form of payment due to an individual, regardless of source, including wages, salaries, commissions, bonuses, worker's compensation, disability, payments pursuant to a pension or retirement program, and interest.

(2) CONFORMING AMENDMENTS.—

(A) Section 466(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:

(4) the term "business day" means a day on which the employer shall apply the law of the State where the employer is located for purposes relating to motor vehicles or law enforcement.

(c) REMUNERATION FOR REPORTS FROM INTERSTATE NETWORKS.—

Section 466(a) (42 U.S.C. 666(a)) is amended by adding at the end the following new subsection:

(1) in paragraph (1), by striking "support" and inserting "to solicit or to seek to enforce orders providing child custody or visitation rights;"

(2) in paragraph (2), by striking ", or any agent of such court," and inserting ", or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;"

(3) in the heading by adding 

"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 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)."

(4) CONFORMING AMENDMENTS.—

Section 453 (42 U.S.C. 653), as amended by section 4, of this section, is amended by adding the following new subsections:

(a) EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.—

Section 453 (42 U.S.C. 653) is amended in subsection (a) by striking all that follows "administered by" and inserting "the Secretary may specify in regulations (including the National Directory of New Hires, which shall contain the names, social security numbers or other unique identification numbers) to identify the individuals who owe or are owed support (or other funds as the Federal Parent Locator Service shall determine) and maintain in the Federal Parent Locator Service an automated registry (which shall contain the information described in paragraph (2) with respect to the Commonwealth of Virginia), which shall contain abstracts of support orders and other information described in paragraph (2) with respect to the Commonwealth of Virginia, and maintain the information in the Federal Parent Locator Service for purposes relating to motor vehicles or law enforcement.

SEC. 4316. EXPANSION OF THE FEDERAL PARENT LOCATOR SERVICE.

(a) 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 "to solicit or to seek to enforce orders providing child custody or visitation rights;"

(2) in paragraph (2), by striking ", or any agent of such court," and inserting ", or to issue an order against a resident parent for child custody or visitation rights, or any agent of such court;"

(3) in the heading by adding 

"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 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)."
"(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(b)(1)(B) and (C).

"(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 title II of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 5507 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 which are subject to the jurisdiction of the Secretary pursuant to section 453A(b)(1)(B) and (C).

"(5) MULTISTATE EMPLOYERS.—(A) The Secretary shall provide the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, with the costs incurred by the Commissioner in furnishing the information, as required pursuant to section 453A, to the Secretary pursuant to paragraph (A) of subsection (g) of section 453A.

"(6) FEDERAL GOVERNMENT REPORTING.—A State or Federal agency that receives information from the Secretary pursuant to this section shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, with the costs incurred by the Commissioner in furnishing the information, as required pursuant to section 453A, to the Secretary pursuant to paragraph (A) of subsection (g) of section 453A.

"(7) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—(A) VERSIFIED BY SOCIAL SECURITY ADMINISTRATION.—(1) For SSA VERIFICATION.—The Secretary shall compare the information in each Federal Parent Locator Service, and information resulting from such comparison, with information in the national parent locator service established under section 453.
support enforcement agency under subpara-
graph (A) with respect to any individual with
respect to whom child support obligations are
established, that agency may be so notified or en-
dorsed by such agency to any agency of
such agency which is under contract with
such agency to carry out the purposes de-
scribed in subparagraph (C). 

(ii) Subparagraph (C) of section 6103(b)(8) of
such Code is amended to add: “(B) CONFORMING
STATE LAW REQUIREMENT—Section
4317. COLLECTION AND USE OF SOCIAL SE-
curity NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT

(A) LAW REQUIREMENT—Section
466(a) (42 U.S.C. 666(a)) of such Code, as redesignated by subsection (a), is amended by inserting after paragraph (12) the following new para-
graph: “(13) RECORDING OF SOCIAL SECURITY NUM-
BERS IN CERTAIN FAMILY MATTERS.—Proce-
dures requiring that the social security num-
er of—

(A) an individual who is subject to a di-
vorce decree, support order, or paternity de-
termination or acknowledgment be placed in
the records relating to the matter; and

(B) any applicant for a professional li-
cense, commercial driver’s license, occupa-
tional license, or marriage license be re-
corded on the application: 

(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 administra-
tion of any law involving the issuance of a
marriage certificate or license, each State
shall require each party named in the certifi-
cate or license to furnish to the State (or po-
litical subdivision thereof) or any State
agency having administrative responsibility for
the [ ] State in which the social security
number of the party:”;

(3) in clause (i), by inserting “or marriage
certificate” after “Such numbers shall not
be recorded on” and inserting “shall”; and

(4) in clause (vi), by striking “may” and in-
serting “shall”; and

(5) by adding at the end the following new
clauses: “(x) An agency of a State (or a politi-
cal subdivision thereof) charged with the ad-
mistration of any law concerning the issuance
or renewal of a license, certificate, permit,
patent, or governmental franchise or profes-
sion, an occupation, or a commercial ac-
tivity shall require all applicants for issuance
or renewal of the license, certificate, permit,
patent, or governmental franchise or profes-
sion, an occupation, or a commercial ac-
tivity number of the party to each party to the
degree, order, determin-

(iii) Subparagraph (C) of section 6104(a)(3)
of such Code is amended to read: “(3) in subsection (c), by inserting ‘by a
child’s home State’ means the State in
which the obligor works.”

Ch A P T E R 3—S T R I M L I N I N G AND UNIFORMITY OF PROCEDURES

Sec. 4321. ADAPTATION OF STATE LAWS

Section 466 of title 42, U.S.C., is amended by adding at the end the following new subsec-

ion: “(i) Enactment and Use.—In order to sat-
sify section 454(2)(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 Janu-
ary 1, 1998, and the Uniform Guide for
Commissioners on Uniform State Laws.

(ii) Employers to follow procedural

rules of State where employee works.—The
State in which the obligor pursuant to para-

364a(4)(B)(xi) of such Code, as redesignated by subsection (a), is amended by inserting after the 1st
sentence the following: “(xii) All divorce decrees, support orders, and paternity determinations issued, and all orders of child support made, in each
State shall include the social security num-
ber of each party to the degree, order, deter-
mination, or acknowledgment in the records
relating to the matter, for the purpose of re-
educing the need for information to the appli-
cant’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.”.

Ch A P T E R 3—S T R I M L I N I N G AND UNIFORMITY OF PROCEDURES

Sec. 4322. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 173B of title 28, United States
Code, is amended—

(1) in subsection (a)(2), by striking “sub-
section (e)” and inserting “subsection (e),
(1), and (1)”; and

(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 during the most recent 6
months of 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 rec-
ognized.

(3) If 2 or more states 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, the order of that court must be rec-
ognized.

(4) If 2 or more courts have issued child
support orders for the same obligor and
child, and none of the courts would have con-
 tinuing, 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 rec-
ognized under this subsection is the court
having continuing, exclusive jurisdiction under
this section, the order of that court must be rec-
ognized.

Sec. 4323. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 4315 and 4317(a) of this Act, is amended by inserting after paragraph (13) the following new para-
graph:

(i) Registration for Modification.—If there is no individual contestant or child re-
siding in the issuing State, the party or sup-
port order issued in another State 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 contestant for the purpose of modific-

ation.”.
(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 on which State offices are open for regular business days to a request made by another State to enforce a support order: 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) 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 case-load of such other State; and
(D) the State shall maintain records of—
(i) the number of requests for assistance received by the State:
(ii) the number of cases for which the State provided support in response to such a request; and
(iii) the amount of such collected support.

SEC. 4324. 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 (B); and
(2) by striking the period at the end of paragraph (1) (as amended by section 4346(a) of this Act) and inserting ‘;” and;
and
(b) USE BY STATES.—Section 454(9) (42 U.S.C. 654(9)) is amended—
(1) by striking “and” at the end of subparagraph (G); and
(2) by inserting “and” at the end of subparagraph (D) and
(3) by adding at the end the following new subparagraph:
(II) not later than March 1, 1997, in using subsection (a)(4) and, in appropriate cases, to effectuate an order from any State to enforce a support order, and to impose penalties for failure to respond to such a subpoena.

(1) Records of other State and local government agencies, including—
(I) vital statistics (including records of birth, death, and divorce);
(II) property, income, 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) records of agencies administering public assistance programs;
(VI) records of the motor vehicle department; and
(VII) corrections records.

(2) Certain records held by private entities with respect to individuals who owe or are owed support (or against or with respect to whom 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 former records of public utilities and cable television companies; and
(II) information concerning the names and social security numbers of such individuals held by financial institutions.

(3) Change in payee.—In cases in which support is subject to an assignment in order to provide for the support of children, if such assignment pursuant to part A or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454(a)(8) of this title is not followed by the obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

(F) 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 with respect to all proceedings to establish paternity or to establish, modify, or enforce support order:
(1) LOCATOR INFORMATION: PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—
(I) each party to any paternity or child support proceeding is required to provide safeguards with respect to the privacy and confidentiality of personal information or the names and addresses of 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 notice requirements satisfied if the person 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).

(2) STATEwide JURISDICTION.—Procedures under which—
(I) the State agency and any administrative or judicial tribunal with authority to hear any child support or paternity case has 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 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 of other laws), nothing in this part shall be construed to alter, amend, modify, invalidate, impair, or supersede subsections (a), (b), and (c) of section 514 as it applies with respect to plans maintained pursuant to section 514 of such Act and any expedited procedure referred to in paragraph (d), 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 a reference in such section 600(a) to a medical child support order were a reference to a support order referred to in paragraphs (i) and (ii) relating to the same matters, respectively.

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—Section 454A, as added by section 434A(a)(2) and as amended by sections 4311 and 4312(c) of this Act, is amended by adding at the end the following new subsection:

"(b) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this section shall be used, to the maximum extent practicable, to implement the expedited administrative procedures required by section 460(e)."

CHAPTER 4—Paternity Establishment

SEC. 4331. STATE LAWS CONCERNING PATEERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 460(e)(5) (42 U.S.C. 666(e)(5)) is amended to read as follows:

"(5) PROCEDURES CONCERNING PARENTAL 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 reaches age 18 years

"(ii) As of August 16, 1984, clause (1) 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 less than 18 years was then in effect in the State.

"(B) PROCEEDURES 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(d)(23) to have good cause and other exceptions for refusing to cooperate) to submit to genetic testing upon the request of any such party, if the request is supported by a sworn statement by the party;

"(II) alleging paternity, and setting forth facts demonstrating a reasonable possibility of the existence of 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, and under which the alleged father can sign an acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

"(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) 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.

"(IV) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the voluntary acknowledgment of paternity which shall include the minimum requirements of an affidavit specified by the Secretary under voluntary paternity acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

"(V) 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 a married woman, on request of the father and mother, and after legal proof of paternity is submitted.

"(II) 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 provide that the presiding judicial or administrative proceeding which bases a legal finding of paternity on an admission of paternity by the father and any other additional evidence 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 PARENTAL PATERNITY ESTABLISHMENT.—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 paternity to the satisfaction of the courts or for testing on behalf of the child.

"(K) CLAIMS FOR MEDICAL SERVICES.—Procedures allowing the child to be included on the record of birth of the child of a married woman, on request of the father and mother, and after legal proof of paternity is submitted.

"(L) STANDING OF PUTATIVE FATHERS.—

"(i) standing to contest paternity case upon a showing of service of process on the defendant and any additional showing required by State law.

"(ii) PROCEDURES FOR 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 paternity to the satisfaction of the courts or for testing on behalf of the child.

"(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 purposes of establishing paternity.

"(B) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting after paragraph (2) the following new paragraph (7):

"(7) national paternity acknowledgment affidavit for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other identifying information selected and adopted by such designee before the semicolon.

"(O) CONFORMING AMENDMENT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting after paragraph (2) and after paragraph (6) the following new paragraph (7):

"("(7) national paternity acknowledgment affidavit for the voluntary acknowledgment of paternity which shall include the social security number of each parent and, after consultation with the States, other identifying information selected and adopted by such designee before the semicolon.

"SEC. 4332. OUTREACH FOR VOLUNTARY PARENTAL ESTABLISHMENT.

Section 4542(3) (42 U.S.C. 6542(3)) 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. 4333. COOPERATION BY APPLICANTS FOR AND RECIPIENTS OF PART A ASSISTANCE—
Section 454 (42 U.S.C. 654), as amended by sections 303(b), 303(a), 4332(a), and 4333(a) of the Act, is amended—

(1) by striking "and" at the end of paragraph (27);

(2) by striking the period at the end of paragraph (29) and inserting "and"; and

(3) by inserting after paragraph (28) the following new paragraph:

"(29) in subparagraphs (B) and (C), respectively; and

(b) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) Section 452(g)(1)(A) (42 U.S.C. 652(g)(1)(A)) is amended by striking "and" at the end of paragraph (1) and inserting "or";

(B) by striking subparagraph (B) and redesignating subparagraphs (B) and (C) as subparagraphs (B) and (C) respectively; and

(C) by striking subparagraph (C) and redesignating paragraph (C) as paragraph (D) and inserting after paragraph (D) the following new subparagraph:

"(1) shall be defined, taking into account the percentage (as determined) by striking "the percentage of children born out of wedlock during the preceding fiscal year plus 2 percentage points": and

"(2) the term "statewide paternity establishment percentage" means, with respect to a State, 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 (as determined by the State) as a percentage of the total number of such children.

SEC. 4341. PERFORMANCE-BASED INCENTIVES AND PENALTIES.

(a) DEVIANT PERFORMANCE.—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 establish an 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 Congress and the Means of the House of Representatives and the Committee on Finance of the Senate.

(b) CONFORMING AMENDMENTS TO PRESENT SYSTEM—Section 454 (42 U.S.C. 654) is amended—

(i) 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";

(ii) in subsection (b)(1)(A), by striking "section 402(a)(25)" and inserting "section 408(a)(4)";

(iii) 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-IV-A collections";

(iv) 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";

(v) in paragraph (1), by striking "and" at the end of paragraph (2) and inserting "or";

(b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42 U.S.C. 652(a)(4)) is amended by striking "and" at the end of paragraph (4) and inserting "or";

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective for purposes of payments to States for fiscal years before fiscal year 1999.
SEC. 4344. REQUIRED REPORTING PROCEDURES.
(a) Establishment.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting "and", and adding at the end of subparagraph (A) a new subparagraph (B), which shall read as follows:

"(B) an incentive payment plan for the State, to be determined by the Secretary, based on the State meeting the requirements of paragraphs (1) and (2) above, or a combination thereof, and 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 requirements of this section;

(B) specify the data which may be used for particular program purposes, and the person permitted access to such data;

(2) Systems controls.—System 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 administrative 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 such security procedures.

(5) Penalties.—Administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure of, confidential data.

(b) Responsibilities of the Secretary.—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.

(c) Implementation Timeline.—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) (A) those States that meet the requirements of paragraph (1), (C) an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to section 457(a)(2) during the preceding fiscal year, in accordance with paragraph (2), and (D) the limitation determined for the State by the Secretary of Health and Human Services under the regulations prescribed pursuant to paragraph (3) of title IV of the Social Security Act, which shall take into account—

(i) the relative size of case loads under such part;

(iii) the level of automation needed to meet the automated data processing requirements of such part;

(d) Conforming Amendment.—Section 122(c) of the Family Support Act of 1988 (102 Stat. 2352; Public Law 100-485) is amended.

SEC. 4345. TECHNICAL ASSISTANCE.
(a) For Training of Federal and State Staff.—The Secretary of Health and Human Services shall make such grants as may be necessary to provide training to Federal and State staff, and such technical assistance as may be necessary to permit such staff to become familiar with the requirements of such part.

(b) Special Federal Matching Rate for Federal Government Programs.—The Secretary shall make such grants as may be necessary to provide such technical assistance to States which have not met the requirements of section 454A of such part.

(c) Technical Assistance.—The Secretary shall make such grants as may be necessary to provide such technical assistance to States which have not met the requirements of section 454A of such part.

(d) Technical Assistance.—The Secretary shall make such grants as may be necessary to provide such technical assistance to States which have not met the requirements of section 454A of such part.

(e) 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 1 percent of the total amount paid to the Federal Government pursuant to section 457(a) during the preceding fiscal year, in accordance with paragraph (2), and 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 defray the costs incurred by the Secretary for—

(1) information dissemination and technical assistance to States, training of State and Federal staff, the cost of data processing and other activities needed to improve programs under this part (including technical assistance concerning State automated systems regulations); and

(2) research, demonstration, and special projects of local or national significance relating to the operation of State programs under such part.

The amount appropriated under this sub-section shall remain available until expended.

SEC. 4346. OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—Section 453 (42 U.S.C. 653), as amended by section 4316 of this Act, is amended by adding at the end the following new paragraph:

"(e) 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. 4346. 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:—;
(B) by striking the end of the following new paragraph:

"(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—
(U) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year; and
(W) with whom the Secretary determined that the child support was not collected during the fiscal year.

"(2) Section 467(a) (42 U.S.C. 667(a)) is amended by striking "(v) the total amount of support collected during such fiscal year and distributed as arrearages;" and
(viii) by striking "the total amount of support due and unpaid for all fiscal years; and'.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective with respect to the fiscal year 1997 and succeeding fiscal years.

SEC. 4347. CHILD SUPPORT DELINQUENCY PENALTY.—
Section 454 (42 U.S.C. 654), as amended by sections 4301(b), 4303(a), 4312(a), 4313(a), 4333, and 4343(b) of this Act, is amended—
(1) by striking "and" at the end of paragraph (29);
(2) by striking the period at the end of paragraph (30) and inserting "; and"; and
(3) by striking paragraph (30) the following new paragraph:

"(31) provide that the State shall have in effect such laws and procedures as may be necessary to ensure that—
(A) the family child support plan approved under part A shall remit to the Federal Government an amount equal to 50 percent of the amount repaid the State for all public assistance programs established pursuant to section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award under this part informing them of the amount of the delinquency (excluding costs incurred by the Secretary for operation of the Federal Parent Locator Service under this part) that shall be effective such laws and procedures as may be necessary in, establishing, modifying, or enforcing such laws and procedures shall require the State to request the Secretary to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order issued to the consumer.

SEC. 4352. FURNISHING CONSUMER REPORTS FOR CERTAIN PURPOSES RELATING TO CHILD SUPPORT.

Section 604 of the Fair Credit Reporting Act (15 U.S.C. 1681c) is amended by adding at the end the following new paragraphs:

"(3) In response to a request by the head of a State or local child support enforcement agency (or a State or local government, officially 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); and
(C) the person has provided at least 10 days' prior notice to the consumer whose report is requested in accordance with the Act (42 U.S.C. 654) for use to set an initial or modified child support award.

SEC. 4353. 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:

"(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 or to any person for disclosing any financial record of an individual to a State child support enforcement agency aiming 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 (as the term is defined in section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award under this part informing them of the amount of the delinquency (excluding costs incurred by the Secretary for operation of the Federal Parent Locator Service under this part) that shall be effective such laws and procedures as may be necessary in, establishing, modifying, or enforcing such laws and procedures shall require the State to request the Secretary to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order issued to the consumer.

"(2) Notice of Right to Review.—Such procedures shall require the State to provide notice not less than once every 3 years to the parents subject to an order being enforced under this part 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 issued to the consumer.

SEC. 4355. 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 aiming 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 (as the term is defined in section 454 of the Social Security Act (42 U.S.C. 654) for use to set an initial or modified child support award under this part informing them of the amount of the delinquency (excluding costs incurred by the Secretary for operation of the Federal Parent Locator Service under this part) that shall be effective such laws and procedures as may be necessary in, establishing, modifying, or enforcing such laws and procedures shall require the State to request the Secretary to review and, if appropriate, adjust the order pursuant to this paragraph. The notice may be included in the order issued to the consumer.

SEC. 4358. 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.

(3) No liability for good faith but erroneous action for damages against such person in a district court of the United States shall arise under this subsection with respect to any disclosure which results from a good faith, but erroneous, interpretation of subsection (b).

(4) 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) a $500 fine for each act of unauthorized disclosure of a financial record with respect to which such defendant is found liable; 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.

(5) Definitions.—For purposes of this section—

(I) Financial institution.—The term 'financial institution' means—

"(A) any depository institution, as defined in section 3(s) of the Federal Deposit Insurance Act (12 U.S.C. 1813(s));

"(B) an institution-affiliated party, as defined in section 3(g) of such Act (12 U.S.C. 1813(g));

"(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.

(II) 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).

(6) chapter 7—enforcement of support orders

SEC. 4361. 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 liabilities) is amended—

(1) by striking "and" at the end of paragraph (3);

(2) by striking the period at the end of paragraph (6) 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 such adjustment or the collection of such adjustment; and

(6) 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.
formed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined by section 101(i) 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 moneys 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 returned to the individual; or

(D) are moneys withheld from the individual pursuant to any agreement with the State or local government, or required by law to be withheld, to meet any legal obligation of the individual to make a payment to an individual to whom the State or local government is owed a legal obligation of any kind, including a court order or a State or local government debt.

(3) ALIMONY.—

(A) by inserting 'or Federal' after 'State' wherever it appears in 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 determined in accordance with part D before 'in an amount sufficient'.

(B) RELATIONSHIP TO OTHER LAWS.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 4383. ENFORCEMENT OF CHILD SUPPORT ORDERS AS TO 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 of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(b) USE OF INFORMATION.—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.

(c) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of the member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit;

(ii) whose duty is to facilitate the granting of leave to a member of the United States Army when it is not operating as a service and the member is the parent with whom the child is living, or to who the Secretary of Defense shall make information regarding the address of a member covered by paragraph (2)(B), the term 'Secretary' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and the other outlying areas of the United States.

(2) DEFINITION OF COURT ORDER.—

(a) by inserting 'as directed by court order, or as other' after 'the Secretary' wherever it appears in the Social Security Act, as directed by court order, or as otherwise determined in accordance with part D before 'in an amount sufficient'.

(b) RELATIONSHIP TO OTHER LAWS.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 1408.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting 'OR FOR BENEFITS UNDER THE 'SPouse' OR 'FORMER Spouse' AND'; 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 under section 455 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 determined in accordance with part D before 'in an amount sufficient'.

(2) RELATIONSHIP TO OTHER LAWS.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 4383. ENFORCEMENT OF CHILD SUPPORT ORDERS AS TO 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 of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(b) USE OF INFORMATION.—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.

(c) DUTY ADDRESS.—The address for a member of the Armed Forces shown in the locator service shall be the duty address of the member in the case of a member—

(i) who is permanently assigned overseas, to a vessel, or to a routinely deployable unit;

(ii) whose duty is to facilitate the granting of leave to a member of the United States Army when it is not operating as a service and the member is the parent with whom the child is living, or to who the Secretary of Defense shall make information regarding the address of a member covered by paragraph (2)(B), the term 'Secretary' includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, and the other outlying areas of the United States.

(2) DEFINITION OF COURT ORDER.—

(a) by inserting 'as directed by court order, or as other' after 'the Secretary' wherever it appears in the Social Security Act, as directed by court order, or as otherwise determined in accordance with part D before 'in an amount sufficient'.

(b) RELATIONSHIP TO OTHER LAWS.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

SEC. 1408.—Section 1408(d) of such title is amended—

(A) in the heading, by inserting 'OR FOR BENEFITS UNDER THE 'SPouse' OR 'FORMER Spouse' AND'; 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 under section 455 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 determined in accordance with part D before 'in an amount sufficient'.

(2) RELATIONSHIP TO OTHER LAWS.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.
(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 that is not 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 a panel in a contingency operation.

(3) AUTHORITY TO ISSUE OR REQUEST.—In lieu of the notice described in paragraph (1) or (2), the Secretary concerned may issue or request a notice under this subsection.

(b) JURISDICTION.—If a hearing is conducted by a court, the court shall issue an order, or direct the Secretary concerned to issue an order, to the noncustodial parent (as defined in section 1102 of title 42, United States Code) or the child support creditor (as defined in section 101 of title 26, United States Code). Such an order may not be issued unless—

(1) the Secretary finds that such a hearing is necessary to establish the amount of arrearages of the child support creditor, and
(2) the Secretary assigns the burden of proof to the noncustodial parent.
(A) by striking "and" at the end of paragraph (30); and
(B) by striking the period at the end of paragraph (31) and inserting ": and"; and
(C) by adding after paragraph (31) the following new paragraph:

"(32) 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 procedures

(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. 4371. INTERNATIONAL SUPPORT ENFORCEMENT

(a) AUTHORITY FOR INTERNATIONAL AGREEMENTS—Part D of title IV, as amended by section 4362(a) of this Act, 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 support obligations with foreign countries that are substantially in conformity with the standards established pursuant to this subsection.

(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 revoked if the Secretaries of State and Health and Human Services determine that

(A) the procedures established by the foreign country (or political subdivision thereof) in effect procedures available to residents of the United States that are substantially in conformity 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, to

(i) for establishment of paternity, and for establishment of orders of support for children and custodial parents; and

(ii) 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 under United States law by name and social security number or other taxpayer identification number; and

(iii) in response to a notice of lien or levy, encumber or surrender 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 foreign reciprocating country or a foreign country with which the United States has a data match agreement established pursuant to this subsection, to facilitate implementation of such procedures.

(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)(ii);

(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).

DEFINITIONS.—For purposes of this paragraph—

(i) FINANCIAL INSTITUTION.—The term 'financial institution' has the meaning given by section 3611 of title 28.

(ii) ACCOUNT—The term 'account' means

(A) in the nature of support, and that is enforceable under Federal law;

(B) STATE PLAN REQUIREMENT.—Section 454(b)(1). the Federal Parent Locator Service; and

(C) PROVIDE, AT STATE OPTION, NOTWITHSTANDING SUBPARAGRAPHS (A) AND (B), FOR ENFORCEMENT IN THE UNITED STATES AND RESIDENTS OF THE UNITED STATES.

"(B) STATE PLAN REQUIREMENT.—Section 454(b)(1). the Federal Parent Locator Service; and

(C) PROVIDE, AT STATE OPTION, NOTWITHSTANDING SUBPARAGRAPHS (A) AND (B), FOR ENFORCEMENT IN THE UNITED STATES AND RESIDENTS OF THE UNITED STATES.

"(D) DEFINITIONS.—For purposes of this Act, as amended by sections 4315, 4317(a), 4323, 4365, and 4369 of this Act, is amended by inserting after paragraph (4) the following new paragraph:

"(33) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.

Section 468(a) (42 U.S.C. 666(a)), as amended by sections 4315, 4317(a), 4323, 4365, 4369, and 4371 of this Act, is amended by inserting after paragraph (17) the following new paragraph:

"(18) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS.—Provisions under paragraphs (18) and (19) apply to enforce any child support order entered 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, the State agency under part A shall be enforceable, jointly and severally, against the parents of the noncustodial parent of such child.

SEC. 4374. NONDISCHARGEABILITY IN BANKRUPTCY OF CERTAIN DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE 11 OF THE UNITED STATES CODE.—Section 522(a) of title 11, United States Code, is amended—

(i) by striking "or" at the end of paragraph (18); and

(ii) by striking the period at the end of paragraph (17) and inserting "or";

(b) by adding at the end the following:

"(18) owed under State law to a State or municipality that is the provider of support, and

(B) enforceable under part D of title IV of the Social Security Act (42 U.S.C. 601 et seq.)."

(c) by striking paragraph (5), by striking "section 420(a)(30)" and inserting "section 506(a)(4)";

(b) AMENDMENT TO THE SOCIAL SECURITY ACT.—Section 456(b) (42 U.S.C. 656)(b) is amended by inserting after paragraph (18) the following new paragraph:

"(19) NONDISCHARGEABILITY.—A debt (as defined in section 101 of title 11 of the United States Code) owed under State law to a State or municipality that is the provider of support, and

SEC. 4373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNAL GRANDPARENTS IN CASES OF MINOR PARENTS.
H7884

CONGRESSIONAL RECORD — HOUSE
July 18, 1996
this part is not released by a discharge in visitation of their children, by means of ac- found Out of compliance with any requirebankruptcy under title 11 of the United tivities including mediation (both voluntary ment enacted by this subtitle if the State is
States Code.'.
and mandatory), counseling, education, de- unable to so comply without amending the
(c) APPLICATION OF AMENDMENTS.—The velopment of parenting plans, visitation en- State constitution until the earlier of—
amendments made by this section shall forcement (including monitoring, super(1) 1 year after the effective date of the
apply only with respect to cases commenced vision and neutral drop-off and pickup), and necessary State constitutional amendment:
under title 11 of the United States Code after development of guidelines for visitation
alternative custody arrangements.
the date of the enactment of this Act.
CHAPTER 8—MEDICAL SUPPORT
SEC. 4376. CORRECTION TO ERISA DEFINITION
OF
MEDICAL CHILD
SUPPORT
ORDER.
(a) IN GENEIw..—Section 609(a) (2) (B) of the

Employee Retirement Income Security Act

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

of 1974 (29 U.S.C. 1169(a) (2) (B)) is amended—

subsection (a): or

pe tent jurisdiction";

section (c) for the fiscal year.

(1) by striking "issued by a court of com-

ess established under State law and has the

'•(A) $50,000 for fiscal year 1997 or 1998; or
(B) $100,000 for any succeeding fiscal year.
(d) No SUPPLANTATION OF STATE EXPENDI-

TURES FOR SIMILAR ACTIVITIES—A State to

CHAPTER 10—EFFECTIVE DATES AND
CONFORMING AMENDMENTS

HEALTH CARE COVERAGE.

SEC. 4391. EFFECTIVE DATES AND CONFORMING
AMENDMENTS.
(a) IN GENERAL.—Except as otherwise spe-

and in the case in which a noncusto-

parent provides such coverage and
changes employment, and the new employer
dial

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.".

CHAPTER 9—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS
SEC. 4381. GRANTS TO STATES FOR ACCESS AND
VISITATION PROGRAMS.

Part D of title IV (42 U.S.C. 651—669), as

amended by

section 4353 of this Act, is
amended by adding at the end the following

new section:
"SEC. 46gB. GRANTS TO STATES FOR ACCESS AND

"(a)

VISITATION PROGRAMS.
IN GENE1..—The Administration for

Children and Families shall make grants

under

this section to enable States to estab-

lish and administer programs to support and
facilitate noncustodial parents' access to and

Section 453(f) (42 U.S.C. 653(f)).

tion 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) (9), and (e) of sectiOn 466 (42 U.S.C. 666).
(2) The following provisions are amended

striking 'an absent" each place it appears and inserting "a noncustodial":
(A) Paragraphs (2) and (3) of section 453(c)
by

(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)

U.S.C 666).

of section

466

(42

(E) Paragraphs (2) and (4) of section 469(b)
(42 U.S.C. 669(b)).

Subtitle D—Restricting Welfare and Public
Benefits for Aliens
SEC. 4400. STATEMENTS OF NATIONAL POLICY
CONCERNiNG WELFARE AND IMMIGRATION.

Congress makes the following statements concerning national policy with reThe

spect 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
(1) the provisions of this subtitle requiring
the enactment or amendment of State laws
(B) the availability of public benefits not
cifically

provided (but subject to subsections

(b) and (c))—

sion for the health care coverage of the under section 466 of the Social Security Act,
child,

Subsections (a)(1), (a)(8), (a)(10)(E),

(D) Paragraphs (8), (13), and (21)(A) of sec-

"(2) MINIMUM ALLOTMENT—The Adminis-

Section 466(a) (42 U.S.C. 666(a)), as amended

to this part shall include a provi-

(A) Section 451 (42 U.S.C. 651).

(C)

required to be made by an amendment made which a grant is made under this section
by this section shall not be required to be may not use the grant to supplant expendimade before the 1st plan year beginning on tures by the State for activities specified in
or after January 1, 1997, if—
subsection (a), but shall use the grant to sup(A) during the period after the date before plement such expenditures at a level at least
the date of the enactment of this Act and be- equal to the level of such expenditures for
fore such 1st plan year, the plan is operated fiscal year 1995.
(e) STATE ADMINISTRATION—Each State
in accordance with the requirements of the
to which a grant is made under this section—
amendments made by this section: and
(1) may administer State programs fund(B) such plan amendment applies retroactively to the period after the date before ed with the grant, directly or through grants
the date of the enactment of this Act and be- to or contracts with courts, local public
fore such 1st plan year.
agencies, or nonprofit private entities;
"(2) shall not be required to operate such
A plan shall not be treated as failing to be
operated in accordance with the provisions programs on a statewide basis; and
'(3) shall monitor, evaluate, and report on
of the plan merely because it operates in acsuch programs in accordance with regulacordance with this paragraph.
SEC. 4377. ENFORCEMENT OF ORDERS FOR tions prescribed by the Secretary.".

pursuant

"absent" each place it appears

and inserting 'noncustodial":

"(1) IN GENERAL—The allotment of a State

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) PLAN AMENDMENTS NOT REQUIRED UNTIL

under which all child support orders enforced

by striking

652).

same ratio to $10,000,000 for grants under this

the enactment of this Act.

"(19) HEALTH CARE COVERAGE—Procedures

(d) CONFORMING AMENDMENTS.—
(1) The following provisions are amended

'(c) ALLOTMENTS TO STATES.—

for a fiscal year is the amount that bears the

this section shall take effect on the date of

by sections 4315, 4317(a). 4323. 4365. 4369, 4372,
and 4373 of this Act, is amended by inserting
after paragraph (18) the following new paragraph:

(2) 5 years after the date of the enactment

of this Act.

(B)

force and effect of law under applicable State tration for Children and Families shall adlaw.".
just allotments to States under paragraph (1)
(b) EFFECTIVE DATE.—
as necessary to ensure that no State is allot(1) IN GENERAL.—The amendments made by ted less than—
JANUARY 1, 1997.—Any amendment to a plan

Or

'(2) the allotment of the State under sub- (a)(10)(F), (f), and (h) of section 452 (42 U.S.C.

(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 proc-

and

'(b) AMOUNT OF GRANT—The amount of

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)

shall

all other provisions of this subtitle
become effective upon the date of the

enactment of this Act.
(b)
GRACE PERIOD FOR STATE LAW
CHANGES.—The provisions of this subtitle
shall become effective
State on the later of—

with

respect to a

(1) the date specified in this subtitle, or

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 spon-

(2) the effective date of laws enacted by the
sorship agreements in order to assure that
legislature of such State implementing such aliens be self-reliant in accordance with naprovisions,
tional immigration policy.
(6) It is a compelling government interest
but in no event later than the 1st day of the
1st calendar quarter beginning after the to remove the incentive for illegal immigra-

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 CONSTITU-

TIONAL AMENDMENT—A State shall not be

tion 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 subtitle, 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.

CHAPTER 1—ELIGIBILITY FOR FEDERAL BENEFITS

SEC. 4401. 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 4431) 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 of the Social Security Act.

(B) Short-term, non-cash, in-kind emergency disaster relief.

(C) Public health assistance for immunizations with respect to communicable diseases and for testing and treatment of symptoms caused by communicable disease.

(D) Programs, services, or assistance (such as soup kitchens. crisis counseling and, in accordance with national immigration policy, other similar assistance) specified by the Attorney General, in the Immigration and Nationality Act, to the Attorney General, in the Attorney General's sole and unreviewable discretion after consultation with appropriate Federal agencies and departments (i) deliver in- ernal's sole and unreviewable discretion after consultation with the Secretary of State.

SEC. 4402. LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.

(i) 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 4431) is not eligible for any specified Federal program (as defined in paragraph (3)).

(ii) EXCEPTIONS.—

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLUM SEEKERS.—(I) Paragraph (1) shall not apply to an alien who—

(i) is lawfully admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(ii) is granted asylum under section 280B of such Act; or

(iii) an alien's deportation is withheld under section 243(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 as a lawful permanent resident under the Immigration and Nationality Act;

(ii) is lawfully residing in any State and is receiving benefits under such program on such date of enactment. the alien is lawfully residing in any State and is receiving benefits under such program.

(II) REDETERMINATION CRITERIA.— With respect to any redetermination 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 redemption under subclause (I) shall only apply with respect to the eligibility of an alien for benefits under such program.

(b) FEDERAL PROGRAMS.—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 Commissioner of Social Security shall not apply the individual who is receiving benefits under such program of the date of the enactment of this Act under section 4432 of this Act.

(c) TRANSITION FOR ALIENS CURRENTLY RECEIVING BENEFITS.—For purposes of this subheading, the term "specified Federal program", means any of the following:

(1) MEDICAID—A State shall apply the eligibility criteria for applicants for benefits under such program.

(2) GRANDFATHER PROVISION.—The provisions of this subheading and the redemption 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 enactment, the alien is lawfully residing in any State and is receiving benefits under such program.

(3) SPECIFIED FEDERAL PROGRAM DEFINED.—For purposes of this subheading, the term "specified Federal program", means any of the following:

(I) SSI—The Commissioner of Social Security shall apply the eligibility criteria for applicants for benefits under such program.

(ii) FOOD STAMPS—A State that has not been certified by the Commissioner of Social Security shall have an amount described in subclause (I) for months beginning on or after the date of the redemption 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.

(V) FOOD STAMPS.—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 Commissioner of Social Security shall apply the 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.

(VI) REDETERMINATION CRITERIA.—With respect to any recertification under subclause (I), the State agency shall apply the eligibility criteria for applicants for benefits under such program.

(VII) GRANDFATHER PROVISION.—The provisions of this subheading and the redemption 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 enactment, the alien is lawfully residing in any State and is receiving benefits under such program.

(b) FEDERAL PROGRAMS.—With respect to the specified Federal program described in paragraph (3)(C), during the period beginning on the date of enactment of this Act and ending on the date of enactment, the Commissioner of Social Security shall apply the eligibility criteria for applicants for benefits under such program.

(II) GRANDFATHER PROVISION.—For purposes of this subheading, the term "specified Federal program", means any of the following:

(I) SSI—The Commissioner of Social Security shall apply the eligibility criteria for applicants for benefits under such program.

(ii) MEDICAID—A State shall apply the eligibility criteria for applicants for benefits under such program.
section 4431 for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under title IV of the Social Security Act, as amended by section 4103(a) of this Act, is amended by inserting the following new section after section 411:

"SEC. 411A. ALIENS REQUIRED TO PROVIDE CERTAIN INFORMATION.

"Each State to which a grant is made under section 403 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."

(3) an alien who is paroled into the United States under section 203(a) of such Act.

(4) an alien who is lawfully admitted to the United States under section 207 of such Act.

(5) an alien who is lawfully residing in the United States, or

(6) by adding at the end the following new section:

"SEC. 27. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Attorney General, in the context of the immigration and Naturalization Service (hereafter in this paragraph referred to as 'the Service'), shall, at least 4 times annually and upon request of the Immigration and Naturalization Service, furnish the Service with the name and address of, and other identifying information on, any individual who the Service knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 416(a) with a State provides that the Service shall furnish such information at such times with respect to any individual who the Service knows is unlawfully in the United States."

CHAPTER 2—ELIGIBILITY FOR STATE AND LOCAL PUBLIC BENEFITS PROGRAMS

SEC. 4411. 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 sections 4431 and 4433, an alien who is not a qualified alien (as defined in subsection (c)) 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."

(b) EXCEPTIONS.—Subsection (a) shall not apply to the following aliens:

(1) an alien who is admitted to the United States under section 207 of the Immigration and Nationality Act.

(2) an alien who is granted asylum under section 208 of such Act.

(c) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—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 is 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 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) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease.

(F) Payments for foster care and adoption assistance under parts B and E 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) Services under a Federal or State program (such as soup kitchens, crisis counseling and intervention, and short-term shelter) specified by the Attorney General, in the context of the Immigration and Naturalization Service, after consultation with appropriate Federal agencies and departments, which deliver in-kind services at the community level, including through public or private nonprofit agencies; or to extend condition the provision of assistance, the amount of assistance provided, or the cost of assistance provided on the individual's income or resources as necessary for the protection of life or safety.


(I) Benefits under the Head Start Act.

(K) Benefits under the Job Training Partnership Act.

(2) by adding at the end the following new section:
(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Public health assistance for immunizations with respect to immunizable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable disease.

(b) The provision of 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 discretion, which shall be provided in consultation with appropriate Federal agencies and departments, which (A) deliver in-kind services at the community level, including through public or private nonprofit agencies, if funds are appropriated, or if 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 chapter 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, wellness, health, disability, unemployment, public assisted housing, post-secondary education, food assistance, unemployment benefit, or any other similar benefit for which payments or assistance are provided 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) any grant, 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 (as defined in subsection (c) of an appropriation Act) and for whom the United States entered 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 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 eligibility for such benefit.

SEC. 4412. STATE AUTHORITY TO LIMIT ELIGIBILITY OF QUALIFIED ALIENS FOR STATE AND LOCAL 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 appropriation Act) and for whom the United States entered reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(b) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits.

(1) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLUMERS.—

(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 240(b) 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 as a permanent resident under the Immigration and Nationality Act; and

(B) (i) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such coverage under section 435, and (ii) did not receive any Federal means-tested public benefit (as defined in section 409(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXEMPTION.—

An alien who—

(A) is 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, and

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) a 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—

(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, and

(B) on active duty (other than active duty for training) in the Armed Forces of the United States, or

(C) a dependent child of an individual described in subparagraph (A) or (B).

(5) Programs comparable to assistance or benefits provided under the National School Lunch Act.

(6) Programs comparable to assistance or benefits provided under the Child Nutrition Act of 1966.

(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 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 on the income and resources of the alien, and (C) are necessary for the protection of life or safety.

SEC. 4421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) IN GENERAL.—Notwithstanding any other provision of law and except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 4431(c)), the alien's income or resources shall be deemed to include the income or resources of the person.

(b) APPLICABILITY.—(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 4423) on behalf of such alien.

(2) The income and resources of the spouse (if any) of the person.

(3) The income and resources of the child of an individual described in subsection (b), a State is authorized to determine the eligibility and the amount of benefits of an alien for any Federal means-tested public benefits program (as defined in section 4431(c)) and for whom the United States entered reciprocal treaty agreements is required to pay benefits, as determined by the Secretary of State, after consultation with the Attorney General.

(c) REVIEW OF INCOME AND RESOURCES OF ACCESSION.—Subsection (a) shall apply with respect to an alien until such time as the alien—

(i) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act.

(2) (A) has worked 40 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such coverage under section 435, and (B) did not receive any Federal means-tested public benefit (as defined in section 409(c)) during any such quarter.

(3) VETERAN AND ACTIVE DUTY EXCEPTION.—When an alien is required to reapply for benefits under any Federal means-tested public benefits program, the applicable agency shall re-review the income and resources attributed to the alien under subsection (a).

(d) APPLICATION.—

(1) If on the date of the enactment of this Act, a Federal means-tested public benefits program attributes a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning on the day after the date of the enactment of this Act.

(2) If on the date of the enactment of this Act, a Federal means-tested public benefits program does not attribute a sponsor's income and resources to an alien in determining the alien's eligibility and the amount of benefits for an alien, this section shall apply to any such determination beginning 180 days after the date of the enactment of this Act.

SEC. 4422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN.

(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 4412(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 the following:

(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 4423) on behalf of such alien.

(2) The income and resources of any individual who is paroled into the United States under section 212(d) (5) of such Act for less than one year.

(3) Such term shall not apply—

(A) any grant, contract, professional license, or commercial license issued to an individual, household, or family through any provision of law and except as provided in subsection (a) only through the enactment of a State law after the date of the enactment of this Act.

(b) EXCEPTIONS.—Subsection (a) shall not apply with respect to the following State public benefits:

(1) Emergency medical services.

(2) Short-term, non-cash, in-kind emergency disaster relief.

(3) Programs comparable to assistance or benefits provided under the National School Lunch Act.

(4) Programs comparable to assistance or benefits provided under the Child Nutrition Act of 1966.

(5) Public health assistance for immunizations with respect to communicable diseases and for testing and treatment of symptoms of communicable diseases whether or not such symptoms are caused by a communicable 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 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 on the income and resources of the alien, and (C) are necessary for the protection of life or safety.

SEC. 4431. 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 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 received any such benefit;

(B) in which the sponsor agrees to financial responsibility 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 to 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.

(3) If, pursuant to the terms of this subsection, a Federal, State, or local agency requests reimbursement from the sponsor in connection with 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 for the purpose of collecting any moneys owed. Nothing in this subsection shall preclude any appropriate Federal, State, or local agency from 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.

(4) Definitions.—For the purposes of this section—

(I) 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) is 18 years of age or over;

(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.

(II) 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 a State or political subdivision of a State in which the eligibility of an individual, household, or family for benefits under the program, the amount of such benefits, or both are determined on the basis of income, resources, or financial need of the individual, household, or unit.

(III) Effective date.—Subsection (a) of section 215A 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 be not earlier than 90 days (and not later than 180 days) after the date the Attorney General formulates the form for such affidavits under subsection (b) of that section.

(IV) Benefits under the Immigration and Nationality Act.—Except as otherwise provided in this subsection, benefits under the Immigration and Nationality Act, as in effect prior to April 1, 1980, shall be available only to aliens who are lawfully admitted for permanent residence, and such benefits shall not be available to aliens who are admitted for temporary or other limited periods of stay.

(5) Reimbursement of Government Expenses.—A subsection later than 10 years after the alien last received any benefit under any means-tested public benefits program.

(6) Payments for foster care and adoption assistance.—Payments for foster care and adoption assistance under section 215A of the Immigration and Nationality Act are treated as an entitlement or a determination of eligibility for Federal public benefit programs, and programs administering such programs shall be similar in form and manner to programs administering Federal public benefit programs.

(7) Programs, services, or assistance.—Programs, services, or assistance, such as soup kitchens, crisis counseling and inter-

vention, and short-term shelter) specified by the Attorney General in the Immigration and Nationality Act, are treated as an entitlement or a determination of eligibility for Federal public benefit programs.
(2) Nothing in this subtitle may be construed as addressing alien eligibility for a basic public education as determined by the Supreme Court of the United States under裴(457 U.S. 251(1988)).

(b) NOT APPLICABLE TO FOREIGN ASSISTANCE.—This subtitle does not apply to any Federal, State, or local governmental program, assistance, or benefits provided to an alien or any alien training of foreign assistance as determined by the Secretary of State in consultation with the Attorney General.

(c) SEVERABILITY.—If any provision of this subtitle is held to be unconstitutional, the remainder of this subtitle and the application of the provisions of such to any person or circumstance shall not be affected thereby.

SEC. 4424. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE IMMIGRATION AND NATURALIZATION SERVICE information regarding the alien remains married to such spouse or not in- clude any individual who does not include on the return of tax for the taxable year—

(1) such individual's taxpayer identification number, and

(2) if the individual is married (within the meaning of section 7703), the taxpayer identification number of such individual's spouse.

SEC. 4435. QUALIFYING QUARTERS.

For purposes of this subtitle, in determining the 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 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 4403(c)(2)) 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 4403(c)) during any such quarter and the alien remains married to such spouse or such spouse is deceased.

CHAPTER 5—CONFORMING AMENDMENTS RELATING TO ASSISTED HOUSING

SEC. 4441. 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 "applicant Secretary";

(2) 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), 509, 521(a)(2), or 542 of such Act, subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act;"

(3) in paragraphs (2) through (6) of subsection (b), by striking "Secretary" each place it appears and inserting "applicant Secretary;"

(4) in subsection (d), in the matter following subparagraph (G), by striking "the term "applicant Secretary;" and

(5) by adding at the end the following new subsection:

"(7) the Secretary of Agriculture, 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

"(8) the Secretary of Agriculture, with respect to financial assistance administered by such Secretary, for purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" means the Food Stamp Act of 1977 (7 U.S.C. 2001 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. 1461 et seq.).

Subtitle E—Reform of Housing Public Law

SEC. 4601. 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 public assistance program for which Federal funds are appropriated are based on an individual's self-reported information, the individual is subject to proceedings for fraud if 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 AP-

PROPRIATED.—For purposes of subsection (a), the term "means-tested welfare or public assistance program for which Federal funds are appropriated" means the Food Stamp Act of 1977 (7 U.S.C. 2001 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. 1461 et seq.).
"(D) protecting children by removing them from dangerous situations and ensuring their placement in a safe environment;  

(A) providing training for individuals mandated to report suspected cases of child abuse or neglect;  

(F) protecting children in foster care;  

(H) promoting timely adoptions;  

(I) providing services to individuals, families, or communities, either directly or through referral, that are aimed at preventing the occurrence of child abuse and neglect.  

(2) CERTIFICATION OF STATE LAW REQUIRING THE REPORTING OF CHILD ABUSE AND NEGLECT.—A certification that the State has in effect laws that require public officials and other professionals to report, in good faith, actual or suspected instances of child abuse or neglect.  

(3) CERTIFICATION OF PROCEDURES FOR SCREENING, SAFETY ASSESSMENT, AND PROMPT INVESTIGATION.—A certification that the State has in effect procedures for receiving and investigating reports of child abuse or neglect, including the reports described in paragraph (2), and for the immediate screening, safety assessment, and prompt investigation of such reports or referrals.  

(4) CERTIFICATION OF STATE PROCEDURES FOR REMOVAL AND PLACEMENT OF ABUSED OR NEGLECTED CHILDREN.—A certification that the State has in effect procedures for removing and safely placing children or individuals making good faith reports of suspected or known instances of child abuse or neglect.  

(5) CERTIFICATION OF PROVISIONS AND PROCEDURES TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect procedures for ensuring that a written plan is prepared for children who have been removed from their families. Such plans shall specify the goals for achieving a permanent placement for the child in a timely fashion, for ensuring that the written plan is reviewed every 6 months (until such placement is achieved) for ensuring that all information about such children is collected regularly and recorded in case records, and include a description of such procedures.  

(6) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—A certification that the State has in effect a program to provide independent living services and assurance in making the transition to self-sufficiency for children placed in the child protection program of the State who are 18, but who are not 20 (or at the option of the State, 22), years of age, and who do not have a family to which to be returned.  

(7) CERTIFICATION OF STATE PROCEDURES TO RESPOND TO REPORTING OF MEDICAL NEGLECT OF DISABLED INFANTS.—(A) A certification that the State has in place for the purpose of responding to the reporting of medical neglect of infants (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) provision of services to 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 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.  

(B) WITHHOLDING OF MEDICALLY INDICATED TREATMENT.—As used in subparagraph (A), the term 'withholding of medically indicated treatment' means the failure to respond to the infant's life-threatening conditions by providing treatment (including appropriate nutrition, hydration, and medication) which, in the reasonable judgment of physicians, is reasonable medical judgment, will be most likely to be effective in ameliorating or correcting all such conditions, except that such treatment would—  

(i) the infant is chronically and irreversibly comatose;  

(ii) the provision of such treatment would be futile in terms of the survival of the infant; or  

(iii) the provision of such treatment would be virtually futile in terms of the survival of the infant and the treatment itself under such circumstances would be inhumane.  

(10) IDENTIFICATION OF CHILD PROTECTION GOALS.—The quantitative and qualitative goals of the State child protection program.  

(II) CERTIFICATION OF CHILD PROTECTION STANDARDS.—With respect to fiscal years beginning on or after April 1, 1996, a certification that the State—  

(A) has completed an inventory of all infants who, before the inventory, had been in foster care, to the extent practicable, and children where the State makes a determination that the child may safely remain in the home.  

(B) LIMITATION.—Disclosures made pursuant to this section shall not include any identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect.  

(11) CERTIFICATION OF STATE PROGRAM TO PROVIDE INDEPENDENT LIVING SERVICES.—(A) make reasonable efforts prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from the child's home, and to make it possible for the child to return home; and  

(B) with respect to families in which abuse or neglect has been confirmed, provide services or referral for services for families and children where the State makes a determination that the child may safely remain with the family.  

(12) CERTIFICATION OF COOPERATIVE EFFORTS BEFORE PLACEMENT OF CHILDREN IN FOSTER CARE.—A certification that the State in effect has—  

(A) make reasonable efforts prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from the child's home, and to make it possible for the child to return home; and  

(B) with respect to families in which abuse or neglect has been confirmed, provide services or referral for services for families and children where the State makes a determination that the child may safely remain with the family.  

(13) CERTIFICATION OF CONFIDENTIALITY REQUIREMENTS FOR INFORMATION DISCLOSURE.—(A) IN GENERAL.—A certification that the State has in effect and operational—  

(B) LIMITATION.—Disclosures made pursuant to this section shall not include any identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect.  

(14) CERTIFICATION OF DEFINITIVE AND REQUIREMENTS FOR INFORMATION DISCLOSURE.—(A) IN GENERAL.—A certification that the State has in effect and operational—  

(B) LIMITATION.—Disclosures made pursuant to this section shall not include any identifying information concerning the individual initiating a report or complaint alleging suspected instances of child abuse or neglect.
act that, as certified by a physician, places the child in serious or critical condition.

"(b) DETERMINATIONS.—The Secretary shall determine whether a plan submitted pursuant to paragraph (a) is sufficient to demonstrate that the material described in subsection (a), other than the material described in paragraph (9) of such subsection, the Secretary may not require a State to supplement the grant not described in subsection (a).

"SEC. 423. GRANTS TO STATES FOR CHILD PROTECTION.

"(a) FUNDING LEVELS.-

"(i) ENTITLEMENT COMPONENT.—

"(A) ELIGIBLE STATES.—Each eligible State shall be entitled to receive from the Secretary for each fiscal year specified in subsection (b)(1) an amount equal to 0.36 percent of the State share of 99 percent of the child protection amount for the fiscal year.

"(B) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—The Secretary shall supplement the amount reserved for payments pursuant to subparagraph (A) of this subsection to the State share of 99 percent of the child protection amount for the fiscal year.

"(2) AUTHORIZATION COMPONENT.—

"(i) ELIGIBLE STATES.—For each eligible State for each fiscal year specified in subparagraph (B) of this subsection, the Secretary shall supplement the grant under paragraph (I)(A) of this subsection by an amount equal to the State share of 99.64 percent of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

"(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—The Secretary shall supplement the amount reserved for payments pursuant to paragraph (B) of this subsection for each fiscal year specified in subsection (b)(1), by an amount equal to 0.36 percent of the amount (if any) appropriated pursuant to subparagraph (B) of this paragraph for the fiscal year.

"(B) LIMITATION ON AUTHORIZATION OF APPLICABLE PERCENTAGES.—For fiscal years succeeding fiscal year 2000, the limitation on the total amount of one-third of the child protection amount for the fiscal year shall be increased by 0.36 percent of the amount of the grant payable to the State under this section in quarterly installments.

"(C) AUTHORIZATION COMPONENT.—

"(i) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(ii) PENALTIES.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) of this section in quarterly installments.

"(2) IN GENERAL.—The Secretary shall determine whether a plan submitted pursuant to subparagraph (A) of this subsection is sufficient to demonstrate that the material described in subsection (a), other than the material described in paragraph (9) of such subsection, the Secretary may not require a State to supplement the grant not described in subsection (a).

"SEC. 424. TIMING OF PAYMENTS.—The Secretary shall make quarterly payments of grant funds in an amount equal to the amount of the grant that would (in the absence of this paragraph) be payable to a State under this section for such fiscal year.

"(A) IN GENERAL.—The Secretary shall make quarterly payments of grant funds in an amount equal to the amount of the grant that would (in the absence of this paragraph) be payable to a State under this section for such fiscal year.

"(B) DEFERRAL OF PAYMENT.—The Secretary shall defer payment of the grant that would (in the absence of this paragraph) be payable to a State under this section for such fiscal year.

"(C) LIMITATION ON AMOUNT OF PENALTY.—

"(i) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(ii) FOR FAILURE TO SUBMIT REQUIRED REPORT.—

"(A) IN GENERAL.—The Secretary shall reduce by 3 percent the amount of the grant payable to a State under this section for a fiscal year if the Secretary determines that the State has not submitted the report required by section 424 for the immediately preceding fiscal year, within 6 months after the end of the immediately preceding fiscal year.

"(B) RESCSSION OF PENALTY.—The Secretary shall rescind a penalty imposed on a State under this section if the Secretary determines that the State has not submitted the report required by section 424 in a fiscal year if the State submits the report before the end of the immediately succeeding fiscal year.

"(4) STATE FUNDS TO REPLACE REDUCTIONS IN GRANTS.—The Secretary may impose a penalty on a State under this subsection with respect to a requirement if the Secretary determines that the State has reasonable cause for failing to comply with the requirement.

"(5) CORRECTIVE COMPLIANCE PLAN.—

"(A) IN GENERAL.—

"(i) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(ii) PENALTIES.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) of this section in quarterly installments.

"(C) EFFECT OF FILING FALSE OR FRAUDULENT REPORTS.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(D) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) of this section in quarterly installments.

"(E) EFFECT OF FILING FALSE OR FRAUDULENT REPORTS.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) of this section in quarterly installments.

"(C) EFFECT OF FILING FALSE OR FRAUDULENT REPORTS.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(D) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) of this section in quarterly installments.

"(E) EFFECT OF FILING FALSE OR FRAUDULENT REPORTS.—

"(A) IN GENERAL.—If an audit conducted pursuant to chapter 75 of title 31, United States Code, finds that an amount paid to a State under this section has been used for a purpose not authorized by any applicable statute, the Secretary shall reduce the amount of the grant payable to the State under this section in quarterly installments.

"(B) CARRYFORWARD OF UNRECOVERED PENALTIES.—To the extent that subparagraph (B) of this section in quarterly installments.
under subsection (a) for the immediately succeeding fiscal year.

"(f) TREATMENT OF TERRITORIES.—

"(1) TREATMENT OF TERRITORIES.—Notwithstanding any provision of law, as defined in section 1108(b)(1), shall carry out a child protection program in accordance with the provisions of this section.

"(2) PAYMENTS.—Subject to the mandatory ceiling on payments specified in section 1108, each territory, as so defined, shall be entitled to receive from the Secretary for any fiscal year an amount equal to the total obligations incurred by the Secretary in the territory under section 1234 (as in effect on the day before the date of the enactment of this part) for fiscal year 1995.

"(g) LIMITATION ON FEDERAL AUTHORITY.—Except as expressly provided in this Act, the Secretary shall not conduct the collection of States under this part or enforce any provision of this part.

"SEC. 424. DATA COLLECTION AND REPORTING.

(a) NATIONAL CHILD ABUSE AND NEGLECT DATA SYSTEM.—The Secretary shall establish a national data collection and analysis program—

"(1) which, to the extent practicable, coordinates existing State child abuse and neglect report systems to include—

"(A) standardized data on substantiated, as well as false, unfounded, or unsubstantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect; and

"(2) which shall collect, compile, analyze, and make available State child abuse and neglect data in the United States. Such data collection system shall—

"(I) avoid unnecessary diversion of resources from agencies responsible for adoption and foster care;

"(II) assure that any data that is collected is reliable and consistent over time and among jurisdictions through the use of uniform definitions and methodologies;

"(III) provide comprehensive national information with respect to—

"(A) the demographic characteristics of adoptive and foster children and their biological, adoptive or foster parents;

"(B) the size of the foster care population (including the number of children in foster care, length of placement, type of placement, availability for adoption, and gap in the reporting of continuing foster care);

"(C) the number and characteristics of—

"(i) children placed in or removed from foster care;

"(ii) children adopted or with respect to whom adoptions have been terminated; and

"(iii) children placed in foster care outside the State which has placement and care responsibility; and

"(D) the extent and nature of assistance provided by Federal, State, and local adoption and foster care programs and the characteristics of such children with respect to whom such assistance is effective;

"(E) utilize appropriate requirements and incentives to ensure that the system functionally throughout the United States.

"(2) ADDITIONAL INFORMATION.—The Secretary may require the provision of additional information under the data collection system established under subsection (b) if the addition of such information is agreed to by a majority of the States.

"(g) ANNUAL REPORT BY THE SECRETARY.—Not later than 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to this section, and shall make the report and such information available to the Congress and the public.

"SEC. 425. FUNDING FOR STUDIES OF CHILD WELFARE.

(a) NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.—There are authorized to be appropriated and there are appropriated to the Secretary for each fiscal year through fiscal year 2008, to conduct a national study based on random samples of children who are at risk of child abuse or neglect, or are determined by States to have been abused or neglected, under section 208 of the Child and Family Services Block Grant Act of 1996, and $10,000,000 for such other research as may be necessary under such section.

(b) ASSESSMENT OF STATE COURTS IMPROVEMENT OF HANDLING OF PROCEEDINGS RELATING TO FOSTER CARE AND ADOPTION.—There are authorized to be appropriated and there are appropriated to the Secretary for each fiscal year through fiscal year 1999, $10,000,000 for the purpose of carrying out section 13712 of the Omnibus Budget Reconciliation Act of 1993 (42 U.S.C. 670 note).

"(c) ADDITIONAL INFORMATION.—The Secretary shall make available to the Congress and the public a report on such visit to the State in which the home of the parents of the child is located, requires the best interests of the child; and

"(d) CASE REVIEW SYSTEM.—The term ‘case review system’ means a system for reviewing a child, which includes the homes of the parents, child, and any other relevant agencies, and the prospective adoptive parents of a minor child which at a minimum—

"(I) specifies the nature and amount of any payments, services, and assistance to be provided to the child;

"(II) stipulates that the agreement shall remain in effect regardless of the State of adoption, or place of adoption, of the child that, periodically, but not less frequently than every 12 months, a caseworker on the staff of the State in which the home of the child is located, or of the State in which the child has been placed, visit such child in such home or institution and submit a report on such visit to the State in which the home of the parents of the child is located; and

"(III) the status of the child is reviewed periodically but no less frequently than once every 6 months by either a court or by administrative review, in paragraph (I) in order to determine the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to the home or placed for adoption or legal guardianship in such home; and

"(IV) with respect to each such child, procedural safeguards will be applied, among other things, to assure each child in foster care the right to the services of the State, a dispositive hearing to be held, in a family or juvenile court or another court (including a tribal court) of competent jurisdiction, or by an administrative agency appointed or approved by the court, no later than 6 months after the original placement (and not less frequently than every 12 months thereafter during the continuation of foster care), which hearing shall determine the future placement, the educational program, and the permanency status of the child (including whether the child should be returned to the parent, should be continued in foster care for a specified period of time, or should be adopted or legal guardianship in such home), or the care and treatment program provided under such agreement; and

"(A) a plan for the child's agency, including a discussion of the appropriateness of the placement, and who is responsible for the child plans to carry out the voluntary placement agreement entered into or judicial determination made with respect to the child in accordance with section 1272(a)(1).

"(B) a plan for ensuring that the child receives proper care and that services are provided to the parents, child, and foster parents in order to improve the conditions in the parents' home or the permanent placement of the child, to his or her own home or the permanent placement of the child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the services that have been provided to the child under the plan.

"(C) To the extent available and accessible, the health and education records of the child, including—

"(i) the names and addresses of the child’s health care providers;

"(ii) the child’s grade level performance;

"(iii) the child’s school record;

"(iv) assurances that the child's placement in foster care takes into account proximity to the child's school in which the child is enrolled at the time of placement;

"(v) a record of the child’s immunizations;

"(vi) the child’s known medical problems;

"(vii) the child's medications;

"(viii) any other relevant health and education information concerning the child determined to be appropriate by the State.

"Where appropriate, for a child age 15 or over, the case plan must also include a written description of the services which will help such child prepare for the transition from foster care to independent living.

"(d) CASE REVIEW SYSTEM.—The term ‘case review system’ means a procedure for assuring that—

"(1) each child has a case plan designed to achieve placement in the least restrictive (most family-like) and most appropriate setting which includes the child's home and the parents’ home, consistent with the best interests and special needs of the child, which—

"(I) if the child has been placed in a foster family home or child-care institution a substantial distance from the home of the parents of the child, or in a State different from the State in which such home is located, sets forth the reasons why such placement is in the best interests of the child; and

"(II) if the child has been placed in foster care outside the State in which the home of the child is located, requires that, periodically, but not less frequently than every 12 months, a caseworker on the staff of the State in which the home of the child is located, or of the State in which the child has been placed, visit such child in such home or institution and submit a report on such visit to the State in which the home of the parents of the child is located; and

"(III) the status of the child is reviewed periodically but no less frequently than once every 6 months by either a court or by administrative review, in paragraph (I) in order to determine the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to the home or placed for adoption or legal guardianship in such home; and

"(IV) with respect to each such child, procedural safeguards will be applied, among other things, to assure each child in foster care the right to the services of the State, a dispositive hearing to be held, in a family or juvenile court or another court (including a tribal court) of competent jurisdiction, or by an administrative agency appointed or approved by the court, no later than 6 months after the original placement (and not less frequently than every 12 months thereafter during the continuation of foster care), which hearing shall determine the future placement, the educational program, and the permanency status of the child (including whether the child should be returned to the parent, should be continued in foster care for a specified period of time, or should be adopted or legal guardianship in such home), or the care and treatment program provided under such agreement; and

"(A) a plan for the child's agency, including a discussion of the appropriateness of the placement, and who is responsible for the child plans to carry out the voluntary placement agreement entered into or judicial determination made with respect to the child in accordance with section 1272(a)(1).

"(B) a plan for ensuring that the child receives proper care and that services are provided to the parents, child, and foster parents in order to improve the conditions in the parents' home or the permanent placement of the child, to his or her own home or the permanent placement of the child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the services that have been provided to the child under the plan.
interests of the child, and, in the case of a child who has attained age 18, the services needed to assist the child to make the transition from foster care to independent living; and any other agency acting on its behalf, and any parent or guardian of the minor child which specifies, at a minimum, the legal status of the child and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.

SEC. 4702. CONFORMING AMENDMENTS.

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

(1) Section 452(a)(10)(C) of the Social Security Act (42 U.S.C. 652(a)(10)(C)), as amended by section 418(b)(2) of this Act, is amended by striking "or under section 471(a)(17)."

(2) Section 452(g)(2)(A) of such Act (42 U.S.C. 652(g)(2)(A)), as amended by paragraph (6) and amendment (D) of section 1123(b) of this Act, is amended by inserting "or benefits or services for foster care maintenance were being provided under the State program funded under part E after "part A" each place it appears.

(c) AMENDMENT TO SECTION 9442 OF THE OMBUS DIS BUDGET RECONCILIATION ACT OF 1985.—

Section 9442(4) of the Omnibus Budget Reconciliation Act of 1985 (42 U.S.C. 679a(4)) is amended by striking "in effect on October 1, 1995" after "Act".

(d) REDISIGNATION AND AMENDMENTS OF SECTION 1123.—

(1) REDISIGNATION.—The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a-1a), as section 1123A.

(2) AMENDMENTS.—Section 1123A of such Act, as so redesignated, is amended in subsection (a)—

(A) by striking "The Secretary" and inserting "Notwithstanding section 423(g)", the Secretary

(B) in paragraph (2), by inserting "under this section" after "promulgated".

Subchapter B—Foster Care, Adoption Assistance, and Independent Living Programs

SEC. 4711. CONFORMING AMENDMENTS TO PART E OF TITLE IV.

(a) PURPOSE: APPROPRIATION.—Section 470 of the Social Security Act (42 U.S.C. 670) is amended—

(1) by amending the heading to read as follows—

"SEC. 470. PURPOSE: APPROPRIATION;" and

(2) in the second sentence, by striking "this part" and inserting "section 422".

(2) STATE PLAN FOR FOSTER CARE AND ADOPTION ASSISTANCE.—Section 471 of such Act (42 U.S.C. 671) is amended to read as follows—

"SEC. 471. ELIGIBLE STATES.

"In order for a State to be eligible for payments under this part, the State shall have submitted to the Secretary a plan which satisfies the requirements of section 422."

(b) FOSTER CARE MAINTENANCE PAYMENTS PROGRAM.—Section 472 of such Act (42 U.S.C. 672) is amended—

"SEC. 472. REQUIREMENTS FOR FOSTER CARE MAINTENANCE PAYMENTS.

(a) IN GENERAL.—Each State operating a program under this part shall make foster care maintenance payments to—

(1) the parents or guardians of a minor child who has been removed from such child's home pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian, or was the result of a judicial determination to the effect that continuation thereof would be contrary to the welfare of such child and that reasonable efforts to place such child were made.

(b) such child's placement and care are the responsibility of—

(A) the State; or

(B) any other public agency with which the State had a voluntary agreement for the administration of the State program under this part which is still in effect;

(c) such child has been placed in a foster family home or child-care institution as a result of the voluntary placement agreement or judicial determination referred to in paragraph (1); and

(d) such child—

(A) would have been eligible to receive aid under the eligibility standards under the State plan approved under section 402 (as in effect on the day before the date of the enactment of this Act and for the fiscal year ending on the last day of such month) had such child been living in a family home or child-care institution which accommodates no more than 25 children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing, but the term shall not include detention facilities, foster care facilities, any other institutional care operated primarily for the detention of children who are determined to be delinquent.

(2) VOLUNTARY PLACEMENT AGREEMENT.—The term "voluntary placement agreement" means a written agreement, binding on the parties to the agreement, between the State, any other agency acting on its behalf, and the parents or guardians of a minor child which specifies, at a minimum, the legal status of the child and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.

(b) AMENDMENTS.—Section 1123A of such Act (42 U.S.C. 1320a-1a), as amended by section 1123A of this Act, is amended by striking "or 471(a)(17)."

(c) REDISIGNATION AND AMENDMENTS OF SECTION 1123.—

(1) REDISIGNATION.—The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a-1a), as section 1123A.

(2) AMENDMENTS.—Section 1123A of such Act, as so redesignated, is amended in subsection (a)—

(A) by striking "The Secretary" and inserting "Notwithstanding section 423(g), the Secretary"

(B) in paragraph (2), by inserting "under this section" after "promulgated".

Subchapter B—Foster Care, Adoption Assistance, and Independent Living Programs

SEC. 4711. CONFORMING AMENDMENTS TO PART E OF TITLE IV.

(a) PURPOSE: APPROPRIATION.—Section 470 of the Social Security Act (42 U.S.C. 670) is amended—

(1) by amending the heading to read as follows—

"SEC. 470. PURPOSE: APPROPRIATION;" and

(2) in the second sentence, by striking "this part" and inserting "section 422".

(2) STATE PLAN FOR FOSTER CARE AND ADOPTION ASSISTANCE.—Section 471 of such Act (42 U.S.C. 671) is amended to read as follows—

"SEC. 471. ELIGIBLE STATES.

"In order for a State to be eligible for payments under this part, the State shall have submitted to the Secretary a plan which satisfies the requirements of section 422."

(b) FOSTER CARE MAINTENANCE PAYMENTS PROGRAM.—Section 472 of such Act (42 U.S.C. 672) is amended—

"SEC. 472. REQUIREMENTS FOR FOSTER CARE MAINTENANCE PAYMENTS.

(a) IN GENERAL.—Each State operating a program under this part shall make foster care maintenance payments to—

(1) the parents or guardians of a minor child who has been removed from such child's home pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian, or was the result of a judicial determination to the effect that continuation thereof would be contrary to the welfare of such child and that reasonable efforts to place such child were made.

(b) such child's placement and care are the responsibility of—

(A) the State; or

(B) any other public agency with which the State had a voluntary agreement for the administration of the State program under this part which is still in effect;

(c) such child has been placed in a foster family home or child-care institution as a result of the voluntary placement agreement or judicial determination referred to in paragraph (1); and

(d) such child—

(A) would have been eligible to receive aid under the eligibility standards under the State plan approved under section 402 (as in effect on the day before the date of the enactment of this part and for the fiscal year ending on the last day of such month) had such child been living in a family home or child-care institution which accommodates no more than 25 children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing, but the term shall not include detention facilities, foster care facilities, any other institutional care operated primarily for the detention of children who are determined to be delinquent.

(2) VOLUNTARY PLACEMENT AGREEMENT.—The term "voluntary placement agreement" means a written agreement, binding on the parties to the agreement, between the State, any other agency acting on its behalf, and the parents or guardians of a minor child which specifies, at a minimum, the legal status of the child and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.

(b) AMENDMENTS.—Section 1123A of such Act (42 U.S.C. 1320a-1a), as amended by section 1123A of this Act, is amended by striking "or 471(a)(17)."

(c) REDISIGNATION AND AMENDMENTS OF SECTION 1123.—

(1) REDISIGNATION.—The Social Security Act is amended by redesignating section 1123, the second place it appears (42 U.S.C. 1320a-1a), as section 1123A.

(2) AMENDMENTS.—Section 1123A of such Act, as so redesignated, is amended in subsection (a)—

(A) by striking "The Secretary" and inserting "Notwithstanding section 423(g), the Secretary"

(B) in paragraph (2), by inserting "under this section" after "promulgated".

Subchapter B—Foster Care, Adoption Assistance, and Independent Living Programs

SEC. 4711. CONFORMING AMENDMENTS TO PART E OF TITLE IV.

(a) PURPOSE: APPROPRIATION.—Section 470 of the Social Security Act (42 U.S.C. 670) is amended—

(1) by amending the heading to read as follows—

"SEC. 470. PURPOSE: APPROPRIATION;" and

(2) in the second sentence, by striking "this part" and inserting "section 422".

(2) STATE PLAN FOR FOSTER CARE AND ADOPTION ASSISTANCE.—Section 471 of such Act (42 U.S.C. 671) is amended to read as follows—

"SEC. 471. ELIGIBLE STATES.

"In order for a State to be eligible for payments under this part, the State shall have submitted to the Secretary a plan which satisfies the requirements of section 422."

(b) FOSTER CARE MAINTENANCE PAYMENTS PROGRAM.—Section 472 of such Act (42 U.S.C. 672) is amended—

"SEC. 472. REQUIREMENTS FOR FOSTER CARE MAINTENANCE PAYMENTS.

(a) IN GENERAL.—Each State operating a program under this part shall make foster care maintenance payments to—

(1) the parents or guardians of a minor child who has been removed from such child's home pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian, or was the result of a judicial determination to the effect that continuation
parents or guardians of such child as provided in subsection (a); and

(B) such parents or guardians request (in such manner as the Secretary may prescribe) that the child be returned to their home or to the home of a relative.

The voluntary placement agreement shall be deemed to be revoked unless the State opposes such request and obtains a judicial determination, by a court of competent jurisdiction, that the return of the child to such home would be contrary to the child's best interests.

"(d) ELIGIBILITY FOR MEDICAL ASSISTANCE.—For purposes of titles XIX and XX, any child with respect to whom foster care maintenance payments are made under this section is deemed to be a recipient of cash assistance under part A of this title in the State where such child resides. For purposes of the preceding sentence, 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 her or his minor parent, as provided in section 426(6)(B), shall be considered a child with respect to whom foster care maintenance payments are made under this section:"

SEC. 473. REQUIREMENTS FOR ADOPTION ASSISTANCE PAYMENTS.

"(a) IN GENERAL.—A State operating a program under this part shall enter into adoption assistance agreements with the adoptive parents of children with special needs.

"(b) PAYMENTS UNDER AGREEMENTS.—

"(1) IN GENERAL.—Under any adoption assistance agreement entered into by a State with parents who adopt a child with special needs, the State—

"(A) shall make payments of nonrecurring adoption assistance expenses incurred by or on behalf of such parents in connection with the adoption of such child, directly through the State agency or through another public or non-profit private agency, in amounts determined under subsection (e), and

"(B) in any case where the child meets the requirements of subsection (d), may make adoption assistance payments to such parents, directly through the State agency or through another public or non-profit private agency, in amounts so determined.

"(2) DEFINITION OF NONRECURRING ADOPTION EXPENSES.—

"(A) IN GENERAL.—For purposes of paragraph (1)(A), the term 'nonrecurring adoption assistance expenses' means reasonable and necessary adoption fees, court costs, attorney fees, home studies, and other expenses which are directly related to the legal adoption of a child with special needs and which are not incurred in violation of State or Federal law.

"(B) TREATMENT AS AN ADMINISTRATIVE EXPENSE.—A child's eligibility for nonrecurring adoption assistance expenses under an adoption assistance agreement shall be treated as an expenditure made for the proper and efficient administration of the State plan for purposes of section 474(a)(3)(E).

"(c) ELIGIBILITY FOR MEDICAL ASSISTANCE.—For purposes of titles XIX and XX, and

"(1) (A) who is a child described in subsection (b), and

"(B) with respect to whom an adoption assistance agreement is in effect under this section (whether or not adoption assistance payments are provided under the agreement or are being made under this section), inclusions in the definition of "child" which 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

"(2) with respect to whom foster care maintenance payments are being made under section 426(6)(B)."
the child protection program under this part pursuant to adoption assistance agreements; plus

(2) an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary for the provision of child placement services and for the proper and efficient administration of the State foster care and adoption assistance program;

(A) 75 percent of so much of such expenditures as are for the training (including both short-term training and training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment, in any case provided by the local agency administering the plan in the political subdivision;

(B) 75 percent of so much of such expenditures as are for the short-term training of current or prospective foster or adoptive parents and the members of the staff of licensed or State-approved child care institutions that provide foster or adopted children receiving assistance under this part, in ways that increase the ability of such current or prospective parents, staff members, and child care providers to fulfill their responsibilities to foster and adopted children, whether incurred directly by the State or by contractors;

(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 referred to in subparagraph (B); and

(iv) are determined by the Secretary to be necessary to determine the allowability of expenditures.

(3) PAYMENTS.—The Secretary shall pay to the States the amounts so calculated under paragraph (1), reduced to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection systems that collect information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility), and

(i) shall establish and carry out under a State plan approved by the Secretary, in such manner and form as the Secretary may prescribe, a description of the reevaluation systems referred to in subsection (a) (4) and (5) of such section; and

(ii) on the basis of findings of an audit or inspection, the Secretary may prescribe, a description of the reevaluation systems referred to in subsection (a)(4) and (5) of such section.

(4) ANNUAL PAYMENTS.—(A) The Secretary may make or contract for the payment of such sums (other than sums provided under paragraphs (1) through (3) of this subsection) as are necessary to ensure that the States receive payments under this section for any fiscal year in an amount determined under paragraph (1) of this subsection to such State for such fiscal year.

(B) In any other case, the Secretary may make or contract for such payments for such year only if the Secretary determines that any prior payment made under this section to such State for a prior fiscal year is less than the amount that the State is entitled or required to receive under this section for such fiscal year, in an amount determined under paragraph (1) of this subsection to such State for such fiscal year.

(5) ESTIMATES BY THE SECRETARY.—

(A) In general.—Within 15 days after a decision to defer a claim, the Secretary shall allow the claim.

(B) In any other case, the Secretary may prescribe, a description of the reevaluation systems referred to in subsection (a) (4) and (5) of such section.

(6) PAYMENT.—The Secretary shall pay to the States the amounts so calculated under paragraph (1), reduced to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection systems that collect information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility), and

(i) shall establish and carry out under a State plan approved by the Secretary, in such manner and form as the Secretary may prescribe, a description of the reevaluation systems referred to in subsection (a)(4) and (5) of such section.

(ii) on the basis of findings of an audit or inspection, the Secretary may prescribe, a description of the reevaluation systems referred to in subsection (a)(4) and (5) of such section.

(iii) to the extent practicable, have the capability of interfacing with, and retrieving information from, the State data collection systems that collect information relating to the eligibility of individuals under part A (for the purposes of facilitating verification of eligibility), and

(iv) are determined by the Secretary to be necessary to determine the allowability of expenditures.

(d) ALLOWANCE OR DISALLOWANCE OF CLAIM.—

(1) IN GENERAL.—Within 60 days after receipt of a State claim for expenditures pursuant to subsection (b)(1), the Secretary shall allow, disallow, or defer such claim.

(2) NOTICE.—Within 15 days after a decision to defer a claim, the Secretary shall notify the State involved.

(3) DECISION.—Within 90 days after receipt of such notice, the Secretary shall determine whether to disallow or to allow the claim.

(e) one-half of the remainder of such expenditures; plus

(3) an amount equal to the total sum of such expenditures, and

(4) an amount equal to the sum of—

(A) so much of the amounts expended by such State to carry out a program under section 476, as do not exceed the basic amount for such State determined under subsection (e) (1) of such section; and

(B) the lesser of

(i) one-half of any additional amounts expended by such State for such program; or

(ii) $500,000.

(f) AUTOMATED DATA COLLECTION EXPENDITURES.—The Secretary shall treat as necessary for the proper and efficient administration of the State plan all expenditures of a State necessary in order for the State to plan, design, develop, install, and operate data collection and information retrieval systems, without regard to whether the systems may be used with respect to foster or adoptive children other than those on behalf of whom foster care maintenance payments or adoption assistance payments may be made under this part.

(g) ESTIMATES BY THE SECRETARY.—

(1) IN GENERAL.—The Secretary shall, prior to the start of each quarter, estimate the amount which a State will be entitled to receive under subsection (a) for such quarter, such estimates to be based on—

(A) a report filed by the State containing its estimated total cost to be expended in such quarter in accordance with subsection (a), 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 children in the State receiving assistance under this part;

(C) such other information as the Secretary may require;

(D) a report filed by the State containing its estimated total cost to be expended in such quarter, in accordance with subsection (a), 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;

(E) one-half of the remainder of such expenditures; plus

(ii) so much of the amounts expended by such State to carry out a program under section 476, as do not exceed the basic amount for such State determined under subsection (e)(1) of such section; and

(2) in any other case, the Secretary may prescribe, a description of the reevaluation systems referred to in subsection (a) (4) and (5) of such section.

(3) an amount equal to the total sum of such expenditures, and

(4) an amount equal to the sum of—

(A) so much of the amounts expended by such State to carry out a program under section 476, as do not exceed the basic amount for such State determined under subsection (e)(1) of such section; and

(B) the lesser of

(i) one-half of any additional amounts expended by such State for such program; or

(ii) $500,000.
shall be based on an assessment of his needs, and which shall be incorporated into his case plan under section 426(a).

(7) provide particularized training and other services and assistance designed to improve their transition to independent living.

(e) DETERMINATION OF PAYMENTS.—

(A) IN GENERAL.—The amount to which a State shall be entitled under section 474(a)(4) for a fiscal year shall be an amount which bears the same ratio to the additional ceiling for such fiscal year as the basic amount of such ceiling bears to $45,000,000.

(1) BASIC CEILING.—The term 'basic ceiling' means, for any fiscal year, $45,000,000.

(2) ADDITIONAL CEILING.—The term 'additional ceiling' means, for any fiscal year, $25,000,000.

(f) ALLOCATION OF FUNDS.—If any State does not apply for funds under this section for any fiscal year within the time provided in subsection (e), the funds to which such State would have been entitled for such fiscal year shall be reallocated to one or more other States on the basis of their relative need for additional payments under this section.

(g) LIMITATION ON USE OF FUNDS.—Payment made to a State under this section for any fiscal year—

(i) shall be used only for the specific purposes described in this section; and may not be used for the provision of room or board; and

(ii) may be made on an estimated basis in advance of the determination of the exact amount, with appropriate subsequent adjustments to take account of any error in the estimates; and

(iii) shall be expended by such State in such fiscal year or in the succeeding fiscal year.

(h) REPORTING REQUIREMENTS.—Not later than the first January 1 following the end of each fiscal year, a State shall submit to the Secretary a report of its program and any appropriations authorized in this part or under section 1123, to have violated section 422(a)(15) during a quarter with respect to any person, then notwithstanding any regulations promulgated under section 422(a)(15) in the State and any conforming amendments in the law as are required by the provisions of this chapter.

SEC. 4722. SENSE OF THE CONGRESS REGARDING ELIMINATING ADOPTION BARRIERS.

(a) REDUCTION OF PAYMENTS TO THE STATE.—If a State's program operated under this section for a fiscal year 1984 bore to the total of the average number of children receiving foster care assistance designed to improve their transition to independent living.

(b) RETURN OF FUNDS PAID TO OTHER VIOLATORS.—Any other entity which in a fiscal year 1984 paid to a State under paragraphs (1), (2), and (3) of section 474(a), and shall supplement and not replace any other funds which may be available for the same general purposes in the localities involved.

(c) PRIVATE CAUSE OF ACTION.—(i) IN GENERAL.—Any individual who is aggrieved by a violation of section 422(a) by a State may bring an action in any United States district court.
Placement Act of 1994 (42 U.S.C. §115a) is re-pealed.

SEC. 4724. EFFECTIVE DATE; TRANSITION RULES.

(a) EFFECTIVE DATE— 

(i) Except as provided in paragraph (2), this chapter and the amendments made by this chapter shall be effective on and after October 1, 1996.

(ii) Exception.—Section 452a of the Social Security Act, as added by section 4701 of this Act, shall take effect on the date of the enactment of this chapter.

(b) TEMPORARY REDESIGNATION OF SECTION 452.—Notwithstanding any other provision of law, the provisions of the Social Security Act, as added by section 4701 of this Act, shall be redesignated as section 452a.

(c) TRANSITION RULES— 

(I) CLAIMS, ACTIONS, AND PROCEEDINGS.—The amendments made by this chapter 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 chapter under the programs re-designated by this section.

(B) administrative actions and proceedings commenced before such date, or authorised before such date to be commenced, under such laws.

(II) CLOSING OUT ACCOUNT FOR THOSE PROGRAMS TERMINATED OR SUBSTANTIALLY MODIFIED BY THIS CHAPTER.—In closing out accounts, Federal and State officials may use scientifically acceptable statistical sampling counts, Federal and State officials may use scientifically acceptable statistical sampling.

(III) TERMINATION OF GRANTS.—Except as provided in this chapter, grants made under this Act before the effective date of this chapter shall be terminated in the manner prescribed in this subchapter.

(d) SEC. 4725. FAMILY AND CHILD DEVELOPMENT.

(1) TO ASSIST EACH STATE IN IMPROVING THE CHILD PROTECTION SYSTEM— 

(A) improving service delivery; 

(B) developing, strengthening, and facilitating training opportunities for individuals who are mandated to report child abuse or neglect or otherwise overseeing, investigating, preventing, and providing services to children and families who are at risk of abuse or neglecting their children; and 

(C) developing, implementing, or operating information, education, training, or other programs designed to assist and provide services for families of disabled infants with life-threatening conditions.

(2) TO ASSIST STATE EFFORTS TO DEVELOP, OPERATE, EXPAND, AND ENHANCE A NETWORK OF COMMUNITY-BASED, PREVENTION-FOCUSED SYSTEMS— 

(A) strengthening and developing, implementing, or operating community-based, prevention-focused, family resource and support programs that are culturally competent and that coordinate services, such as prevention, early intervention, and social services; 

(B) ensuring properly trained and supported staff with specialized knowledge, to carry out their child protection duties; and

(E) sensitive to ethnic and cultural diversity.

(3) TO FACILITATE THE ELIMINATION OF BARRIERS TO ADOPTION AND TO PROVIDE SERVICES TO SUPPORT FAMILIES— 

(A) providing model adoption legislation and programs that encourage the participation of children who are adopted, placed for adoption, or provide services to support families in need of assistance with placement and early intervention services; 

(B) providing a mechanism for the Department of Health and Human Services to assure that adoptive services, preplacement, post-placement, and post-legal adoption counseling, and standards to protect the rights of children in need of adoption or other assistance; and

(C) maintain a national adoption information exchange system to bring together children who would benefit from adoption and qualified prospective adoptive parents who are seeking such children, and conduct national recruitment efforts in order to place children with families who have suitable needs and desires.

(4) TO SUPPORT THE PROVISION OF SERVICES TO CHILDREN— 

(A) to provide education and training to ensure professional development and competency; 

(B) to support and enhance the capacity of States to assist communities; 

(C) to help move communities to carry out their child and family protection plans by providing the financial support of professionals, paraprofessionals, and volunteers; 

(D) to develop and support services that are based on equality and respect; and

(E) to provide leadership to end the abuse and neglect of the Nation's children and youth.

(5) TO FOSTER INTEGRATION OF THE CHILD PROTECTION SYSTEM— 

(A) promoting comprehensive, child-centered, family-focused, community-based systems of such services; 

(B) strengthening coordination among all Federal and State officials; 

(C) providing access to optional services, such as scholastic, counseling, and social services; and

(D) ensuring that the child protection system should be child-centered, child-focused, child-centered, and child-focused.

SEC. 4. DEFINITIONS.

As used in this Act— 

(I) CHILD.—The term 'child' means a person who is 18 years of age, or

(ii) 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.

(II) FAMILY AND CHILD DEVELOPMENT— 

(A) promotes and supports the wellbeing of families and children; 

(B) integrates the work of social service, health, education, and human service agencies and organizations; 

(C) emphasizes the need for abuse and neglect prevention, assessment, investigation, and treatment at the neighborhood level; and

(D) ensures properly trained and support staff with specialized knowledge, to carry out their child protection duties; and

(E) is sensitive to ethnic and cultural diversity.

(II) THE CONGRESS FINDS THE FOLLOWING— 

(A) The child abuse prevention and treatment program is a prevention-focused entity that— 

(i) to assist each State in improving the child protective service systems of such State by— 

(ii) improving the quality and efficiency of services provided to children and families, and 

(iii) developing, implementing, or operating community-based, prevention-focused system.

(B) The child protection system should— 

(i) provide education and training to ensure professional development and competency; 

(ii) provide access to optional services, such as scholastic, counseling, and social services; 

(iii) strengthen coordination among all Federal and State officials; 

(iv) provide leadership to end the abuse and neglect of the Nation's children and youth.

(C) The purposes of this Act are the following— 

(i) To assist each State in improving the child protective service systems of such State by— 

(ii) improving the quality and efficiency of services provided to children and families, and 

(iii) developing, implementing, or operating community-based, prevention-focused system.

(III) FAMILY RESOURCES AND SUPPORT PROGRAMS— 

(A) promotes and supports the wellbeing of families and children; 

(B) integrates the work of social service, health, education, and human service agencies and organizations; 

(C) emphasizes the need for abuse and neglect prevention, assessment, investigation, and treatment at the neighborhood level; and

(D) ensures properly trained and support staff with specialized knowledge, to carry out their child protection duties; and

(E) is sensitive to ethnic and cultural diversity.
such circumstances would be inhumane.

the infant and the treatment itself under

be virtually futile in terms of the survival of

survival of the infant; or

ibly comatose;

appropriate nutrition, hydration, or medication)

cept that the term does not include the fail-ure to provide treatment (other than appro-

will be most likely to be effective in amelio-

physicians'

ally indicated treatment means the failure

lands, and the Trust Territory of the Pacific

or incest with children.

ducement, enticement, or coercion of any

to engage in. any sexually explicit conduct

Services.

means the Secretary of Health and Human

weeks of time, per year), and be intended to

outside the home of the child, be short-term

parent, adoptive parent, or guardian) to chil-

8) STATE.—The term 'State' means each of the several States, the District of Colum-

bria, the Commonwealth of Puerto Rico, the

Virgin Islands, Guam, American Samoa, the

Commonwealth of the Northern Mariana Is-

lands, and the Trust Territory of the Pacific

ISLANDS.

WITHHOLDING OF MEDICALLY INDICATED

TREATMENT.—The term 'withholding of medi-

cally indicated treatment' means the failure to

respond to the infant's life-threatening condi-

tion by providing treatment (including appro-

priate nutrition, hydration, and medicatio-

n) which, in the treating physician's or

physicians' reasonable medical judgment, will

be most likely to be effective in amelo-

rating or correcting all such conditions, ex-

cept that the term does not include the fail-

ure to provide treatment (other than appro-

priate nutrition, hydration, or medication) to

a premature infant or to any infant in whom the

physician's or physicians' reasonable medical

judgment—

(A) the infant is chronically and irrevers-

ibly ill;

(B) the provision of such treatment would

merely prolong dying;

(i) merely prolonging dying;

(ii) being effective in ameliorating or cor-

recting all of the infant's life-threatening

conditions; or

(iii) otherwise futile in terms of the

survival of the infant; or

(iv) the provision of such treatment

would be virtually futile in terms of the survival

of the infant and the treatment itself under

such circumstances would be inhumane.

TITLE I GENERAL BLOCK GRANT

SEC. 101. CHILD AND FAMILY SERVICES BLOCK

GRANTS

(a) ELIGIBILITY.—The Secretary shall

award grants to eligible States that file a

State plan that is approved under section 102 and

that otherwise meet the eligibility re-

quirements for grants under this title.

(b) AMOUNT.—The amount of a grant

made to each State under subsection (a) for a fiscal

year shall be based on the pop-

ulation of children under the age of 18 resid-

ing in each State that applies for a grant under

such subsection, as determined in accordance

with section 102(b)(4).

(c) USE OF AMOUNT.—Amounts received

by a State under a grant awarded under sub-

section (a) shall be used to carry out the pur-

poses described in section 3.

SEC. 102. ELIGIBILITY.

(a) In General.—As used in this title, the
term 'eligible State' means a State that has

submitted to the Secretary, not later than

October 1, 1996, and every 3 years thereafter,
a State plan that is approved under section

3.

(b) IN GENERAL.—AS used in this title, the

term 'eligible State' means a State that has

submitted to the Secretary, not later than

October 1, 1996, and every 3 years thereafter,
a State plan that is approved under section

3.

(c) ELIGIBILITY.—The term 'eligible

State' means a State that has in place for the purpose of respond-

ing to reports of abuse or neglect, programs designed to prevent the

withholding of medically indicated treatment from disabled in-

fants with life-threatening conditions, and that otherwise meet the

criteria described in section 3.

(d) CERTIFICATION OF STATE PROGRAM TO

PROVIDE INDEPENDENT LIVING SERVICES.—A
certification that the State has in effect a program to provide inde-

pendent living services, for assistance in making the transition to

self-sufficient adulthood, to individuals with severe disabilities

who have been removed from their families. Such plan shall specify the

goals for achieving permanent placement for the child in a

timely fashion, for ensuring that information about such children is collected

regularly and recognized, and include a description of such procedures.

(e) CERTIFICATION OF STATE PROGRAMS TO

PROVIDE INDEPENDENT LIVING SERVICES.—A
certification that the State has in effect a program to provide inde-

pendent living services, for assistance in making the transition to

self-sufficient adulthood, to individuals with severe disabilities

who have been removed from their families. Such plan shall specify the

goals for achieving permanent placement for the child in a

timely fashion, for ensuring that information about such children is collected

regularly and recognized, and include a description of such procedures.

(f) ELIGIBILITY.—The term 'eligible

State' means a State that has in place for the purpose of respond-

ing to reports of abuse or neglect, programs designed to prevent the

withholding of medically indicated treatment from disabled in-

fants with life-threatening conditions, and that otherwise meet the

criteria described in section 3.

(g) CERTIFICATION OF STATE PROGRAM TO

PROVIDE INDEPENDENT LIVING SERVICES.—A
certification that the State has in effect a program to provide inde-

pendent living services, for assistance in making the transition to

self-sufficient adulthood, to individuals with severe disabilities

who have been removed from their families. Such plan shall specify the

goals for achieving permanent placement for the child in a

timely fashion, for ensuring that information about such children is collected

regularly and recognized, and include a description of such procedures.

(h) ELIGIBILITY.—The term 'eligible

State' means a State that has in place for the purpose of respond-

ing to reports of abuse or neglect, programs designed to prevent the

withholding of medically indicated treatment from disabled in-

fants with life-threatening conditions, and that otherwise meet the

criteria described in section 3.
under such circumstances would be inhumane.

"(10) IDENTIFICATION OF CHILD PROTECTION GOALS.—The Secretary shall develop quantitative goals of the State child protection program.

"(11) CERTIFICATION OF CHILD PROTECTION STANDARDS.—With respect to fiscal years beginning on or after April 1, 1996, a certification by the State of

"(A) has completed an inventory of all children who, before the inventory, had been in foster care under the responsibility of the State for 6 months or more, which determines

"(i) the appropriateness of, and necessity for, the foster care placement;

"(ii) whether the child could or should be returned to the parents of the child or should be freed for adoption or other permanent placement; and

"(iii) the services necessary to facilitate the return of the child or the placement of the child for adoption or legal guardianship;

"(B) is operating, to the satisfaction of the Secretary—

"(i) a statewide information system from which can be readily determined the status, demographic characteristics, location, and placement of all children in foster care in the United States; and

"(ii) a data collection system from which can be readily determined the availability for adoption, foster care, and permanency planning of children who have been removed from their homes, the status of children in foster care, length of foster care placement, type of foster care, and permanency planning for children in foster care; and

"(C) (i) has reviewed (or not later than October 1, 1997, will review) State policies and procedures for placement and for removal of children from the care and custody of the State;

"(ii) has reviewed (or not later than October 1, 1997, will review) State policies and procedures for the use of preplacement and postplacement services; and

"(D) has completed an inventory of all children who, before the inventory, had been in foster care under the supervision of the State; and

"(i) a program designed to help children;

"(ii) where appropriate, return to families from which they have been removed; or

"(iii) be placed for adoption, with a legal guardian, or if adoption or legal guardianship is not appropriate, for a child, in some other planned, permanent, living arrangement; and

"(iv) a preplacement preventive services program designed to help children at risk for foster care placement remain with their families;

and

"(G)(i) has reviewed (or not later than October 1, 1997, will review) State policies and procedures for the purposes of substantiation of reports of child abuse and neglect, including—

"(A) standardized data on substantiated, as well as, false, unfounded, or unsubstantiated reports; and

"(B) information on the number of deaths due to child abuse and neglect; and

"(ii) which, to the extent practicable, coordinates existing State child abuse and neglect reporting information which, to the extent practical, is universal and case-specific and integrated with other case-based foster care and adoption data collected by the Secretary.

"(b) ADOPTION AND FOSTER CARE AND ANALYSIS AND REPORTING SYSTEMS.—The Secretary shall develop a system to collect data relating to adoption and foster care in the United States. Such data collection system shall—

"(i) avoid unnecessary diversion of resources from agencies responsible for adoption and foster care;

"(ii) assure that any data that is collected is reliable and consistent over time and among States, and, to the extent possible, conforms to uniform definitions and methodologies;

"(iii) provide comprehensive national information with respect to—

"(A) the demographic characteristics of adoptive and foster children and their biological and adoptive or foster parents;

"(B) the status of the foster care population, including the number of children in foster care, length of stay, type of placement, availability for adoption, and goals for ending or continuing foster care;

"(C) the number and characteristics of—

"(i) children placed in foster care outside the State which has placement and care responsibilities;

"(ii) children adopted or with respect to whom adoptions have been terminated; and

"(iii) children placed in foster care outside the State which has placement and care responsibilities; and

"(D) the extent and nature of assistance provided by Federal, State, and local adoption and foster care programs and the characteristics of the child for whom such assistance is provided; and

"(4) utilize appropriate requirements and incentives to ensure that the system functions reliably throughout the United States.

"(c) DETERMINATIONS.—The Secretary may require the provision of additional information under the data collection system established under subsection (b) if the Secretary determines that such information is agreed to by a majority of the States.

"(d) ANNUAL REPORT BY THE SECRETARY.—Within 6 months after the end of each fiscal year, the Secretary shall prepare a report based on information provided by the States for the fiscal year pursuant to this section, and shall make the report and such information available to the Congress and the public.

"TITLE II—RESEARCH, DEMONSTRATIONS, TRAINING, AND TECHNICAL ASSISTANCE

"SEC. 201. RESEARCH GRANTS.

"(a) IN GENERAL.—The Secretary, in consultation with appropriate Federal officials and advisors, shall make awards of grants or contracts for the conduct of research in accordance with subsection (b).

"(b) RESEARCH.—Research projects to be conducted using amounts received under this section shall—

"(I) shall be designed to provide information to better protect children from abuse or neglect and to improve the well-being of abused and neglected children, with at least a portion of any such research conducted under a project being field initiated;

"(II) shall be conducted to a minimum, focus on—

"(A) the nature and scope of child abuse and neglect;

"(B) the causes, prevention, assessment, identification, treatment, cultural and socioeconomic distinctions, and the consequences of child abuse and neglect;

"(C) appropriate, effective and culturally sensitive investigative, administrative, and judicial procedures with respect to cases of child abuse and neglect;

"(D) the national incidence of child abuse and neglect, including—

"(i) the extent to which incidents of child abuse are increasing or decreasing in number and severity;

"(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, false, or unfounded cases of child abuse 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 or neglect;

"(vi) the number of substantiated, 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 to more serious cases of child abuse or neglect;

"(viii) the incidence and prevalence of physical and emotional neglect and physical and emotional neglect in substitute care;

"(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

(ix) the cases of children reunited with their families through family preservation services that result in subsequent substantiated reports of child abuse and neglect, including the death of the child; and

(x) may include the appointment of an advisor.

(A) provide recommendations on coordinating Federal, State, and local child abuse and neglect activities at the State and local level pertaining to family violence prevention;

(B) consider specific modifications needed in State laws and programs to reduce the number of unreported or unsubstantiated reports of child abuse and neglect while enhancing the ability to identify and substantiate legitimate cases of abuse or neglect which place a child in danger; and

(C) provide recommendations for modifications needed to facilitate coordinated national and Statewide data collection with respect to child protection and child welfare.

SEC. 202. NATIONAL CLEARGROUND FOR INFORMATION RELATING TO CHILD ABUSE.

(a) ESTABLISHMENT.—The Secretary shall, through the Department of Health and Human Services, rely on contracts for services of not less than 3 years duration provided through a competition, establish a national clearinghouse for information relating to child abuse.

(b) FUNCTIONS.—The Secretary shall, through the clearinghouse established by subsection (a),—

(1) maintain, coordinate, and disseminate information on all programs, including private programs, that show promise of success with respect to the prevention, assessment, identification, and treatment of child abuse and neglect;

(2) maintain and disseminate information relating to—

(A) the incidence of cases of child abuse and neglect in the United States;

(B) the incidence of such cases in populations determined by the Secretary under section 105(a)(1) of the Child Abuse Prevention, Adoption, and Family Services Act of 1988 (a projection was in effect on the day before the date of enactment of this Act); and

(C) the incidence of any such cases related to alcohol or drug abuse;

(3) develop, expand, and enhance statewide networks of community-based, prevention-focused centers, programs, or services that provide comprehensive support for families;

(4) develop, expand, and enhance state-wide networks of community-based, prevention-focused centers, programs, or services that provide comprehensive support for families;

(B) promote the development of parental competencies and capacities in order to increase family stability;

(C) support the additional needs of families with children with disabilities;

(D) foster the development of a continuum of preventive services for children and families through State and community-based collaborations and partnerships (both public and private); and

(E) maximize funding for the financing, planning, development, and implementation of information and referral, startup, training and technical assistance, information management, reporting, and evaluation of programs, strategies, or expanding a statewide network of community-based, prevention-focused family resource and support services.

(5) SEC. 203. GRANTS FOR DEMONSTRATION PROGRAMS.

(a) AWARDING OF GENERAL GRANTS.—The Secretary may make grants to, and enter into contracts with, public and nonprofit private entities (as combinations of such agencies or organizations) for the purpose of developing, implementing, and operating time limited, demonstration programs and projects for the following purposes:

(I) INNOVATIVE PROGRAMS AND PROJECTS.—

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 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—

(A) accepts, screens and assesses reports received to determine which such reports require an intensive intervention and which require very limited referral to another agency, program or project;

(B) provides, either directly or through referral, a variety of community-linked services to assist families in preventing child abuse and neglect;

(C) provides further investigation and intensive intervention where the child’s safety is in jeopardy;

(D) KIDS’ CARE PROGRAMS AND PROJECTS.—The Secretary may award grants to public entities to assist such entities in developing or implementing programs to help prevent child abuse and neglect;

(E) provides technical assistance under this chapter to assist States in planning, improving, developing, and refining the programs and activities related to the prevention, assessment, identification, and treatment of child abuse and neglect.

(b) ADOPTION OPPORTUNITIES.—The Secretary shall provide, directly or by grant to or contract with public or private nonprofit entities or organizations, programs and projects for the following purposes:

(1) promote the development of parental competencies and capacities in order to increase family stability;

(2) 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;

(3) 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; and

(b) DISSEMINATION OF INFORMATION.—The Secretary may provide for and disseminate...
information relating to various training re-
sources available at the State and local level
to—

'(1) individuals who are engaged, or who
intend to engage, in the prevention, identi-
fication, assessment, and treatment of child
abuse and neglect; and

'(2) appropriate State and local officials,
including law enforcement, legal, judicial, me-
mental health, education, and child welfare
personnel in appropriate methods of inter-
acting during investigative, administrative, and
legal entities; and

'the Secretary shall award grants under this
title on the basis of competitive review.

'(C) NOTICE OF APPROVAL.—The Sec-
perty shall provide grants under this title from among the
projects which the peer review panels estab-
lished under subsection (a)(1) have deter-
\nminated to have merit.

'(2) REQUIREMENT OF EXPLANATION.—In the instance in which the Secretary approves an application for a grant under this title without having approved all applications ranked above such application, the Sec-
retary shall append to the approved applica-
tion a detailed explanation of the reasons re-
ed on for not awarding the application and for
failing to approve each pending application that
is superior in merit.

'SEC. 208. NATIONAL RANDOM SAMPLE STUDY OF
CHILD ABUSE AND NEGLECT.

'(a) IN GENERAL.—The Secretary shall con-
duct a national study based on random sam-
ple of children who are at risk of child abuse or
neglect, or are determined by States to have been abused or neglected, and
such other research as may be necessary.

'(b) REQUIREMENTS.—The study required
by subsection (a) shall—

'(1) have a longitudinal component; and

'(2) yield data reliable at the State level
for as many States as the Secretary deter-
mines is feasible.

'(c) CONTENTS.—In conducting the study
required by subsection (a), the Secret-
ary should—

'(1) collect data on the child protection
programs of different small States (or dif-
frent communities which serve children for
different years) to yield an occasional picture of the child protection programs of such States;

'(2) carefully consider selecting the sample
from cases of confirmed abuse or neglect;

'(3) follow each case for several years while obtaining information on, among other things:

'(A) the type of abuse or neglect involved;

'(B) the frequency of contact with State or
local agencies;

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

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

'(E) the average duration of each place-
ment.

'(d) REPORTS.—

'(1) IN GENERAL.—From time to time, the
Secretary shall prepare reports summariz-
mg the results of the study required by sub-
section (a).

'(2) AVAILABILITY.—The Secretary shall
make available to the public any report pre-
pared under paragraph (1), in writing or in
the form of an electronic data tape.

'(3) AUTHORITY TO CHARGE FEE.—The Sec-
retary may charge and collect a fee for the
furnishing of reports under paragraph (2).

'(4) FUNDING.—The Secretary shall carry
out this section using amounts made avail-
able under section 425 of the Social Security
Act.

'TITLE III—GENERAL PROVISIONS

'SEC. 301. AUTHORIZATION OF APPROPRIA-
tIONS.

'(a) TITLE I.—There are authorized to be
appropriated to carry out title I, $230,000,000
for fiscal year 1996, and such sums as may be
necessary for each of the fiscal years 1997
through 2002.

'(b) TITLE II.—

'(1) IN GENERAL.—Of the amount appro-
priated under subsection (a) for a fiscal year,
The Secretary shall make available 1 percent of such amount to carry out this title.

'(c) INDIAN TRIBES.—Of the amount appro-
priated under subsection (a) for a fiscal year,
"(d) STATE TASK FORCE STUDY.—Before a State receives assistance under this section, and at 3-year intervals thereafter, the State task force shall comprehensively—
(1) review the State’s investigative, administrative, and both civil and criminal judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal; and
(2) make policy and training recommendations in each of the categories described in subsection (e).

The task force may make such other comments and recommendations as it considers relevant and useful.

(e) ADOPTION OF STATE TASK FORCE RECOMMENDATIONS.—
"(1) GENERAL RULE.—Subject to the provisions of paragraph (2), before a State receives assistance under this section, a State shall adopt recommendations of the State task force in each of the following categories—
(A) investigatory, administrative, and judicial handling of cases of child abuse and neglect, particularly child sexual abuse and exploitation, as well as cases involving suspected child maltreatment related fatalities and cases involving a potential combination of jurisdictions, such as interstate, Federal-State, and State-Tribal, in a manner which results in the additional trauma to the child victim and the family as a whole.

(B) experimental, model and demonstration programs for testing innovative approaches and techniques which may improve the prompt and successful resolution of civil and criminal court proceedings or enhance the effectiveness of judicial and administrative action in child abuse and neglect cases, particularly child sexual abuse and exploitation cases, including the enhancement of performance of court-appointed attorneys and guardians ad litem for children; and

(C) reform of State laws, ordinances, regulations, protocols and procedures to provide comprehensive protection for children and adults from abuse and neglect so that the victims of such abuse and exploitation, while ensuring fairness to all affected persons.

"(2) EXEMPTION.—As determined by the Secretary, a State shall be considered to be in full compliance with the requirements of this section if—
(A) the State adopts an alternative to the recommendations of the State task force, which, in the determination of the Secretary, fulfills the purpose of this section, in each of the categories under paragraph (1) for which the State task force’s recommendations are not adopted; or

(B) the State makes substantial progress toward adopting recommendations of the State task force or a comparable alternative to such recommendations.

(f) FUNDING.—(1) SUBSTITUTE.—For grants under this section, the Secretary shall use the amount authorized by section 1404A of the Victims of Crime Act of 1984.

SEC. 398. TRANSITIONAL PROVISION.

"(a) IN GENERAL.—Nothing in this Act, or in part B or E of title IV of the Social Security Act, shall be construed—
(1) as establishing a Federal requirement that a State shall 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 fund, or to prohibit a person 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 have in place a policy or program 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 treatments from disabled infants with life threatening conditions. With respect to the withholding of medically indicated treatments from disabled infants 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. 4753. REPEALS.

(a) MISSING CHILDREN’S ASSISTANCE ACT.—Section 408 of the Missing Children’s Assistance Act (42 U.S.C. 7777) is amended—
(1) by striking “To” and inserting “(a) in GENERAL.—”;
(2) by striking “and 1996” and inserting “1996, and 1997”;
(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 (b) (1) for an evaluation of the effectiveness of the programs and activities established and operated under this title.

(b) VICTIMS OF CHILD ABUSE ACT OF 1990.—Section 103 of the Victims of Child Abuse Act of 1990 (42 U.S.C. 13004) is amended—
(1) in subsection (a), by striking “1996, and 1997” and substituting “1996, and 1997”;
(2) by striking “and 1996” and inserting “1996, and 1997”;
(3) by striking “1996, and 1997” and inserting “1996, and 1997”;

SEC. 4753A. POST-SECONDARY EDUCATION.

(a) IN GENERAL.—Nothing in this Act, or in part B or E of title IV of the Social Security Act, shall be construed—
(1) as establishing a Federal requirement that a State shall provide a child any educational service or treatment against the religious beliefs of the parent or legal guardian; and

(2) to require that a State fund, or to prohibit a person finding, abuse or neglect in cases in which a parent or legal guardian relies solely or partially upon spiritual means rather than educational treatment, in accordance with the religious beliefs of the parent or legal guardian.

(b) STATE REQUIREMENT.—Notwithstanding subsection (a), a State shall have in place a policy or program to provide educational 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 educational treatments from disabled infants with life threatening conditions. With respect to the withholding of medically indicated treatments from disabled infants 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. 396. RULES OF CONSTRUCTION.

"(a) DEFINITIONS.—As used in this section—
(1) APPROPERATIVE EFFECTIVE DATE.—The term ‘appropriate effective date’, used with respect to a Department referred to in this section, means the earliest effective date of any provision of this Act (other than subtitle B of this title) that the Department is required to carry out, and amendments and rules made pursuant to provisions of Federal law that the Department is required to carry out, are effective.

(b) COVERED ACTIVITY.—The term ‘covered activity’, used with respect to a Department referred to in this section, means the Department is required to carry out under—
(1) a provision of this Act (other than subtitle B of this title); or
(2) a provision of Federal law that is amended or repealed by this Act (other than subtitle B of this title).

(c) PRACTICAL INTERPRETATIONS.—In making such determinations, the Secretary of Labor shall construe—
(1) the Secretary of Education;
(2) the Secretary of Labor;
(3) the Secretary of Housing and Urban Development; and
(4) the Secretary of Health and Human Services.

(d) RELEVANT COMMITTEES.—The relevant Committees described in this paragraph are the following:

(A) the Committee on Agriculture;

(B) the Committee on Education;

(C) the Committee on Labor;

(D) the Committee on Housing and Urban Development; and

(E) the Committee on Health and Human Services.

(E) NOTICE.—The term ‘appropriation activity’, used with respect to a Department referred to in this section, means the Department is required to carry out under—
(A) a provision of this Act (other than subtitle B of this title); or
(B) a provision of Federal law that is amended or repealed by this Act (other than subtitle B of this title).

(b) EFFECTS.—
(1) CONTENTS.—Not later than January 1, 1997, each Secretary referred to in paragraph (2) shall prepare and submit to the relevant committees described in paragraph (3) a report containing—
(1) a description of the determinations described in subsection (c);

(2) appropriate documentation in support of such determinations; and

(3) a description of the methodology used in making such determinations.

(2) SECRETARY.—The Secretary 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 referred to in paragraph (2), 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;

(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 Education and 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 Labor and 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 the Committee on 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.
that has been converted into a block grant funded through discretionary spending, any direct spending program, or any 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 bears to the 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. 4803. REDUCTIONS IN PERSONNEL IN WASHINGTON, D.C. AREA.

In making reductions in full-time equivalent positions, 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—

(a) IN GENERAL.—Any funds received by a State under the provisions of law specified in subsection (b) shall be subject to appropriation by the Congress, to be reduced to the extent provided in the Department of the Budget for 1997, to be reduced as an offset to the number referred to in paragraph (I).

(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. 4902. SANCTIONING FOR TESTING POSITIVE FOR CONTROLLED SUBSTANCES.

Notwithstanding any other provision of law, States and units of State and local governments, in coordination with the Federal Government from testing welfare recipients for use of controlled substances or from sanctioning welfare recipients who test positive for use of controlled substances.

SEC. 4903. 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—

(a) by striking "and" at the end of paragraph (5); and

(b) by striking paragraph (6) and inserting "The following:

(1) $2,800,000,000 for each of the fiscal years 1990 through 1995;

(2) $2,500,000,000 for each of the fiscal years 1997 through 2002; and

(3) $2,380,000,000 for the fiscal year 2003 and each succeeding fiscal year.

The CHAIRMAN. No other amendment shall be in order except the following amendments:

First, a further amendment printed in part 2 of the report, which may be offered only by the gentleman from Ohio [Mr. Kasich] or his designee, shall be considered read, shall be debated for 1 hour, equally divided and controlled by the proponent and an opponent, and shall not be subject to amendment.

Amendment offered by Mr. Ney.

Mr. NEY. Mr. Chairman, I offer an amendment as the designee of the gentleman from Ohio [Mr. Kasich].

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. Ney:

Subsection (o) of section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015), as added by section 1033(a), is amended—

(A) by striking "12-month period" and inserting "12-month period.

(B) by striking ", and the child care block grant under section 2003(b) of the Social Security Act" and inserting ", and the child care block grant under section 2003(b) of the Social Security Act;"

(C) by striking ", and section 2003(b) of the Social Security Act" and inserting ", and section 2003(b) of the Social Security Act;"

The CHAIRMAN. Pursuant to House Resolution 482, the gentleman from Ohio [Mr. Ney] and a Member opposed each will control 10 minutes.

Mr. SABO. Madam Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Minnesota [Mr. Sabo] will be recognized to control the time in opposition.

The Chair recognizes the gentleman from Ohio [Mr. Ney].

Mr. NEY. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, caring for people is not necessarily synonymous with taking care of people. Anyone can say that they feel pain, and many people obviously do feel pain for others that have not had the path of opportunity in this country. We have to work with all Americans to try and alleviate and minimize and finally end the pain once and for all. We are trying to build a helping hand to every person currently in the welfare system and say to them: If you want to work, we're going to help you climb that ladder of opportunity in this great country.

My amendment: which is the Kasich-Ney amendment; my colleague, the gentleman from Ohio [Mr. Kasich], for his guidance and support on this amendment: this amendment to H.R. 3437 is just that: It is a ladder. The amendment will tell every able-bodied person without children between the ages of 18 and 50 that there is no escalator built by Washington that will carry them up the ladder of opportunity, but with a little help from us,
and if they are willing to help themselves, they can have a chance in this country.

Madam Chairman, as my colleagues know, under the base text of the bill, able-bodied adults between the ages of 18 and 50 who have no children are permitted to receive food stamps without working for 4 months out of every 12-month period. This means they could potentially work 8 months and take 4 months off. The amendment, while retaining the exemptions in the base bill; I would like to just restate those exemptions. This is referring to the end of the day before the end of the day, this amendment does not affect: Anyone under 18 or over the age of 50, anyone medically certified as physically or mentally incapable or unable to be employed, a parent or other member of the household responsible for a dependent child or a pregnant woman.

This is another step in the right direction, it is a caring step, and it shows that we are a Congress that cares to help people in that ladder of opportunity.

Madam Chairman, I reserve the balance of my time.

Mr. SABO. Madam Chairman, I yield 3 minutes to the distinguished gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Madam Chairman, I rise in opposition to this single-bullet amendment to the reconciliation bill. I understand full well the political advantage which is sought with amendments such as this. I am certainly not interested in ever defending a wasteful use of food stamps. But I am also interested in abandoning people in unexpected, uncontrollable circumstances who count on food stamps for their survival.

I find it amazing that the Rules Committee took the unprecedented action of allowing an amendment other than a substitute amendment to the reconciliation bill. I understand full well there was any possibility of such amendments being made in order. I assure my colleagues I would have had a number of my own to offer, and I know dozens of other Members would have wanted to do the same.

This unprecedented change of the rules aside, I must point out that this particular amendment is not about a food stamp time limit; it is a lifetime ban on food stamp benefits if ever they have received them in their adult life for 3 months and been unable to find work during that 3 months. If they have faced unexpected and uncontrollable circumstances in their life, if they have been laid off from their job in a period of recession, if they went on food stamps, searched high and low for work and found nothing after 3 months, if their luck ran out for them. They are off the food stamp program when they have reached age 50 or until they have found a job. It does not matter if they are following all of the rules, looking for work, in real need of a hand up, the food stamp program just will not be there for them.

The implication behind this amendment is that finding some kind of job is always easy. That simply is not true.

For example, food stamp data show that more than 40 percent of those who would be affected by this provision are women, and nearly one-third of those women are over the age of 40. Whether widowed, divorced, or facing some other difficult life circumstance, these 40-plus women typically have a very difficult time finding employment. Their skills may be out of date or undone by the House last year. Under that bill, people who were unable to find work could have continued to get food stamps if they participated in job search programs. This amendment cuts those people off the program and imposes the harshest work requirement of any proposal made during this Congress.

The amendment cannot be said to be toughening the work requirements. Such a statement assumes that for every person cut off from food stamps there is a job. Common sense tells us that is not the case. If this amendment were to be inserted into the reconciliation bill, it would provide a number of things, including funding for additional workfare slots. But, of course, that would cost money, and this amendment is intended to save an additional $2.2 billion. This is just another example of how extreme philosophy and this year's budget, not sound policy, are driving welfare reform.

This amendment is bad policy, a paperwork nightmare, and I urge every Member to vote against it.

Mr. SABO. Madam Chairman, I yield 2 minutes to the distinguished gentlewoman from North Carolina [Mrs. CLAYTON].

Mrs. CLAYTON. Madam Chairman, I rise today in strong opposition to the Kasich-Ney amendment. I believe that the 4-month time limit presently contained in this legislation is egregious. This amendment would further reduce this already short period of time by 30 days.

According to data collected by USDA, three-fourths of able-bodied, nonelderly food stamp recipients leave welfare roles because they have found a job or another alternative means to augment their income, but over one-half of those people need more than 4 months to do so.
Even our current unemployment compensation system acknowledges that people need about 6 months to find a job.

That is why I offered an amendment, albeit unsuccessful, during the Agriculture Committee consideration of the food stamp title to increase the limit from 4 months to 6 months, which is consistent with last year's Senate welfare reform package.

The Congressional Budget Office has estimated that 700,000 unemployed people who are willing to work and willing to comply with the tenets of a work program will receive food assistance under the 4-month ceiling contained in H.R. 3734, whereas under the 6-month scenario of my amendment only 450,000 workers would be cut off.

If the proposed 120-day limit is shortened further to 90 days, 90 days, close to 3 months, able-bodied persons will be denied food stamp assistance. 1 million of the poorest of the poor.

Madam Chairman, the majority must be credited here for the inclusion of the 4-month bridge, which is not as long as I would like it to be, but it is far better than the 3-month ceiling that this punitive amendment seeks to introduce.

Thirty days, Madam Chairman; imagine not eating for 30 days? That is the reality that some poor Americans who are actively looking for work will have to face, if the Kasich-Ney amendment passes. Is the small budget reduction given in this proposal worth the large loss of food assistance, sustenance if my colleagues will, to those 1 million Americans denied assistance under a 90-day ceiling?

Mr. NEY. Madam Chairman, I yield 3 minutes to my colleague, the gentleman from Ohio [Mr. KASICH].

Mr. KASICH. Madam Chairman, let me make clear what the amendment does so that there is no confusion. If you are able-bodied, single, between the ages of 18 and 50, you are able-bodied, you are between the ages of 18 and 50, you have to do some work in exchange for the food stamps.

The opposition to this amendment, frankly, is opposed to the very premises that underlie our bill, our welfare bill. Our welfare bill says at some point you have to get trained, you have to go to work. You have to get off the system and get a job.

What this amendment says is very simple. If your people at home are frustrated about food stamps, this amendment does not take away food stamps. It says, though, if you are going to get food stamps, you are going to work 20 hours a week; 20 hours a week.

If you cannot find a job, you go to workfare; you sign up for a workfare program, and maybe you whitewash the graffiti, or maybe you clean up the neighborhood, but you participate in a program where you do some work in exchange, in exchange for the food stamps that you get.

Madam Chairman, it is not complicated. There is not a reason that I can think of as to why you should not be able to put in 20 hours a week if you are able-bodied, between the age of 18 to 50, in exchange for that program.

I would say to the House, think about this. If my colleagues support the underlying parts of this bill that call for people to work, that call for people to get trained, then clearly they support this concept. We are not asking people to work overly generous hours. In fact, there is already a requirement that says you have to work 8 months out of the year. What we say is we will give you a grace period, up to 3 months, you have your 3 months, but after that if you need the food stamps you have to put in a little bit of work.

I think that is fair for the people who get the food stamps, and I think it is eminently reasonable and fair for the people that pay the bills for those who get the food stamps.

Support the Ney amendment.

Mr. SABO. Madam Chairman, I yield 2 minutes to the gentleman from Michigan [Mr. LEVIN].

Mr. LEVIN. Madam Chairman, I want to tell the gentleman from Ohio to fully share, and indeed I have worked hard for the concept, off of welfare and into work, with time limits. But this amendment goes far beyond it.

Take the State of Michigan in the early 1980's. We had unemployment rising for 4 years in a row. We had about half a million unemployed food stamps. In the Detroit metropolitan area, unemployment did not hit the 10 percent mark at any point.

So what about people, able bodied, who have been working all their lives, who are thrown out on the streets because of a little unemployment? These people had been on food stamps for 3 months 10 years earlier. What the gentleman is saying is that to those people Starve. Oh, Members say all they have to do is get a job through workfare. Is there a workfare program in Michigan for 50,000 people or 100,000 people thrown out of work in a recession? Of course there is not.

I believe unequivocally people on welfare, able bodied, get to work with the adequate support protections in Castle-Tanner. What I do not say is to the hard-working person, with or without kids, if you cannot find a job, if you are working hard, looking hard to find one, we are going to say you starve, because 10 years ago you were on food stamps for 3 months.

Yes, Madam Chairman, I think this shows the difference between the two bills. They just insist on thinking tough means mean. I think tough means getting people off of welfare to work, but not hurting the hard-working person who hits hard times.

It has been considered in the Senate before and rejected, across the board, on a bipartisan basis. This violates the spirit of getting tough on work but not being mean to kids or mean to anybody else.

Mr. NEY. Madam Chairman, I yield myself the balance of my time.

The CHAIRMAN. The gentleman from Ohio [Mr. NEY] is recognized for 2 minutes.

Mr. NEY. Madam Chairman, let me make this point very clear. This does not apply to children. Let me read the exemptions once again. Amended amendment, and maybe you clean up the neighborhood, but you participate in a program where you do some work in exchange, in exchange for the food stamps that you get.

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Mr. NEY. Madam Chairman, I yield myself the balance of my time.
unemployment. Or you can be in job training. They can go to job training.

Mr. NEY. The gentleman is correct. It just means you simply have to work, just like everyone else. This is responsible, it is fair, it has exemptions. I understand the amendment to the amendment to penalize people who are trying to fulfill that goal. I sit on the Committee on Agriculture in the House. No one has to tell the Members, I am shocked from Florida [Mrs. THURMAN] is recognized for 2 minutes.

Mrs. THURMAN. Madam Chairman, I have to tell the Members. I am shocked at this attempt one more time to further erode one of the few protections we have for laidoff and downsized employees in America. The Kasich-Ney amendment actually penalizes people who play by the rules and do exactly what we want people on welfare to do: find a job.

Someone who loses her job during a recession is often forced to turn to food stamps for assistance to meet her basic needs. If this person acts responsibly and finds a new job within 3 short months, she should not be disqualified, yes, for the rest of her adult years, from further food stamp assistance. If 10 years later this welfare success story is downsized, as so many people in modern America have been, the Kasich-Ney amendment would deny her the temporary assistance needed for her to get back into the job market.

Why? Because it is about money, not policy. Good policy would be to reinforce the goal of moving people to work instead of offering an amendment that penalizes people who are trying to fulfill that goal. I sit on the Committee on Agriculture in the House. No one came before our committee to offer this amendment. In fact, we had a discussion about how the 4-month time limit in the majority’s bill was unrealistic if job slots are not available.

I was actually encouraged by the conversation and believed we may have been able to reach a compromise on this issue. Now, all of a sudden, an amendment surfaces to not only cut back the time limit to 3 months, but to prohibit 18- to 50-year-olds from any further food assistance. The logic escapes me. Is it not the people that we want to work that we are trying to help? This amendment simply is another example of how our policy is much too costly.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment offered by the gentleman from Ohio [Mr. NEY].

The question was taken, and the chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. NEY. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 239, noes 184, not voting 10, as follows:

[Roll No 328]

AYES—239

Allard
Archer
Arady
Bachus
Ballenger
Barr
Bartlet
Barton
Bass
Bilbray
Bilby
Boehner
Bonilla
Bono
Bowser
Brownback
Bryant
Calvert
Camp
Campbell
Chambliss
Chenoweth
Christensen
Chrysler
Cleaver
Collins (GA)
Combett
Cotey
Cramer
Crenshaw
Cubin
Cunningham
Danner
DeLay
Dickey
Dornan
Dreier
Duncan
Durbin
Ehlers
Ros-Lehtinen
Roth
Royce
Sanford
Saxton
Seastbreak
Sensenbrenner
Shadegg
Shuster
Siskakis
Skelton
Smith (MI)
Smith (NJ)
Smith (TX)

Smith (WA)
Solomon
Souders
Spence
Stearns
Stockman
Stump
Talent
Tate
Taylor (MS)
Taylor (NC)
Thomas
Thommey
Thielert
Tiahrt
Tooke
Tran
Upton

Vargyas
Vucanovich
Walker
Wants
Ward
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Williams
Wolf
Young (AK)
Young (SC)

NOT VOTING—10

de la Garza
Doolittle
Parker
Paxton
Lincoln
Scarborough

1401

The Clerk announced the following pair:

On this vote:

Mr. Forbes for. with Mrs. Lincoln against.
July 18, 1996

CONGRESSIONAL RECORD—HOUSE

The Clerk read the title of the bill.
The CHAIRMAN. When the Committee of the Whole rose earlier today, the amendment printed in part 2 of House Report 104–686 offered by the gentleman from Ohio [Mr. NEY] had been disposed of.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. TANNER

Mr. TANNER. Madam Chairman, as the designee of the minority leader, I offer an amendment in the nature of a substitute.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment in the nature of a substitute is as follows:

Amendment in the nature of a substitute offered by Mr. TANNER: Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE. This Act may be cited as the "Bipartisan Welfare Reform Act of 1996".

SECTION 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. 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.

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.

WELFARE AND MEDICAID REFORM ACT OF 1996

The SPEAKER pro tempore. Pursuant to House Resolution 482 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 3734.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 3734) to provide for reconciliation pursuant to section 201(a)(1) of the concurrent resolution on the budget for fiscal year 1997, with Ms. GREENE of Utah in the chair.
Sec. 928. Specific period for prohibiting par.
Sec. 930. Waiting period for stores that ini-
Sec. 922. Value of minimum allotment.
Sec. 920. Work requirement for able-bodied
Sec. 919. Disqualification relating to child
Sec. 917. Disqualification of fleeing felons.
Sec. 916. Disqualification for receipt of mul-
Sec. 915. Comparable treatment for disquali-
Sec. 914. Employment and training.
Sec. 913. Caretaker exemption.
Sec. 911. Disqualification of convicted indi-
Sec. 831. Cash
Sec. 830. Special
Sec. 828. Miscellaneous provisions and defi-
Sec. 824. School breakfast program author-
Sec. 822. Reimbursement rates for free and
Sec. 821. Special milk program.
Sec. 820. Child care food program.
Sec. 811. Pilot projects.
Sec. 812. Reduction of paperwork.
Sec. 813. Information on income eligibility.
Sec. 814. Nutrition guidance for child nutri-
Sec. 815. Information clearinghouse.
Subtitle B—Child Nutrition Act of 1956
Sec. 823. Free and reduced price policy
Sec. 824. School breakfast program author-
Sec. 825. State administrative expenses.
Sec. 826. Regulations.
Sec. 827. Prohibitions.
Sec. 828. Miscellaneous provisions and defi-
Sec. 929. Accuracy and records.
Sec. 830. Special supplemental nutrition program
Sec. 932. Nutrition education and training.
Sec. 933. Breastfeeding promotion program.

TITLE IX—FOOD STAMP AND RELATED

PROGRAMS

Sec. 901. Definition of certification period.
Sec. 902. Expanded definition of ‘coupon’.
Sec. 903. Treatment of children living at home.
Sec. 904. Adjustment of thrift food plan.
Sec. 905. Definition of non-existent individual.
Sec. 906. Income Exclusions.
Sec. 907. Deductions from income.
Sec. 908. Vehicle allowance.
Sec. 909. Vendor benefited for transitional housing counted as income.
Sec. 910. Increased penalties for violating food stamp program requirements.
Sec. 911. Disqualification of convicted individuals.
Sec. 912. Disqualification.
Sec. 913. Caretaker exemption.
Sec. 914. Employment and training.
Sec. 915. Comparable treatment for disqualifica-
tion.
Sec. 916. Disqualification for receipt of multiple food benefits.
Sec. 917. Disqualification of fleeing felons.
Sec. 918. Cooperation with child support agencies.
Sec. 919. Disqualification relating to child support arrears.
Sec. 920. Work requirement for able-bodied recipients.
Sec. 921. Encourage electronic benefit transfer systems.
Sec. 922. Value of minimum allotment.
Sec. 923. Benefits on recertification.
Sec. 924. Optional supplemental allotment for expedited households.
Sec. 925. Failure to comply with other means-tested public assistance programs.
Sec. 926. Allotments for households residing in centers.
Sec. 927. Authority to establish authorization periods.
Sec. 928. Specific period for prohibiting participation of stores based on lack of business integrity.
Sec. 929. Information for verifying eligibility.
Sec. 930. Waiting period for stores that initially fail to meet authorization criteria.
Sec. 931. Operation of food stamp offices.
Sec. 932. Mandatory claims collection methods.
Sec. 933. Exchange of law enforcement information.
Sec. 934. Expedited coupon service.
Sec. 935. Withholding fair hearing requests.
Sec. 936. Income, eligibility, and immigration status verification systems.
Sec. 937. Bases for suspensions and disqualifications.
Sec. 938. Authority to suspend stores violating program requirements pending administrative and judicial review.
Sec. 939. Disqualification of retailers who are disqualified from the WIC program.
Sec. 940. Permanent debarment of retailers who intentionally submit falsified applications.
Sec. 941. Expanded civil and criminal forfeitures for violations of the food stamp act.
Sec. 942. Expanded authority for sharing information provided by retailers.
Sec. 943. Limitation of Federal match.
Sec. 944. Collection of overissuances.
Sec. 945. Standards for administration.
Sec. 946. Requirement that states not waive certain procedures applicable to expenditure of State funds.
Sec. 947. Authorization of appropriations.
Sec. 948. Authorize States to operate simplified food stamp programs.
Sec. 949. Emergency food assistance programs.
Sec. 950. Food bank demonstration project.
Sec. 951. Report on entitlement commodity programs.

SUBTITLE A—General Provisions
Sec. 1001. Expenditure of Federal funds in accordance with laws and procedures applicable to expenditure of State funds.
Sec. 1002. Elimination of housing assistance with respect to fugitive felons and probation and parole violators.
Sec. 1003. Sense of the Senate regarding the manner in which food stamp benefits will be administered to individuals who tested positive for drugs.
Sec. 1004. Sense of the Senate concerning the penalty to be imposed in the event of the non-custodial parent to pay child support.
Sec. 1005. Food stamp eligibility.
Sec. 1006. Establishment of national goals to prevent teenage pregnancies.
Sec. 1007. Sense of the Senate concerning enforcement of statutory rape laws.
Sec. 1008. Sanctioning for testing positive for controlled substances.
Sec. 1009. Abstinence education.
Sec. 1010. Provisions to encourage electronic benefit transfer systems.
Sec. 1011. Reduction in block grants to States for social services.
Sec. 1012. Efficient use of Federal transportation systems.
Sec. 1013. Enhanced Federal match for child welfare automation expenses.

Subtitle B—Earned Income Tax Credit
Sec. 1021. Earned income credit and other tax benefits denied to individuals failing to comply with taxpayer identification numbers.
Sec. 1022. Rules relating to denial of earned income credit on basis of disqualification.
Sec. 1023. Modification of adjusted gross income definition for earned income credit.
Sec. 1024. Notice of availability required to be provided to applicants and former recipients of AFDC, food stamps, and medicaid.
Sec. 1025. Notice of availability of earned income tax credit and dependent care tax credit to be included on W-2 form.
Sec. 1026. Advance payment of earned income tax credit through State demonstration programs.

TITLE II—BLOCK GRANTS FOR TEM-
PORARY ASSISTANCE FOR NEEDY FAMI-
LIES

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 the strengthening of family structure is integral to successful society and the well-being of children.
(4) In 1987, 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 cases met the expectation of the judge.
(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, with 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) during the year 1995 will be 3,200,000.
(II) during the year 2000 will be 5,000,000.
(III) during the year 2005 will be 6,200,000.
(IV) during the year 2010 will be 7,500,000.

(B) The Department of Health and Human Services has estimated that 12,000,000 children will receive AFDC benefits within ten 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 30 percent.

(6) The increase of out-of-wedlock pregnancies and births is well documented as follows:

(A) It is estimated that the rate of non-marital 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 women declined by 1 percent between 1980 and 1991, from 12.5 pregnancies per 1,000 married women in 1980 to 117.6 pregnancies in 1991.

(B) The total of all out-of-wedlock births between 1976 and 1991 has risen from 5.75 percent to 29.5 percent and if the current trend continues, 30 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.
Children born out-of-wedlock have a substantially higher risk of being born at a very low or moderately low birth weight. (B) Children born out-of-wedlock are more likely to experience low verbal cognitive attainment, as well as more child abuse, and neglect. (C) Children born out-of-wedlock are more likely to have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves. (D) Being born out-of-wedlock significantly reduces the chances of the child growing up to have an intact marriage. (E) Children born out-of-wedlock are 3 times more likely to be on welfare when they grow up. (F) Currently 33 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 other circumstances, living in single-parent homes, it is important to point out that raising children alone, nevertheless, the negative consequences of raising children in single-parent homes is the following: (A) Only 9 percent of married-couple families with children under 18 years of age have income below the national poverty level. In contrast, 40 percent of female-headed households with children under 18 years of age are below the national poverty level. (B) Among single-parent families, nearly 80 percent of mothers who never married received AFDC while only 1 percent of divorced mothers received AFDC. (C) Children born into families receiving welfare assistance are 3 times more likely to be ever pregnant by age 7, twice as likely to 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) Children born out-of-wedlock have been estimated to have 3 times more likely to repeat school years than children from intact 2-parent families. (G) Only 9 percent of married-couple families have income below the national poverty level. In contrast, 40 percent of female-headed households with children under 18 years of age are below the national poverty level. (H) The absence of a father in the life of a child has a negative effect on school performance and peer adjustment. (I) The presence of a father in the life of a child is associated with higher academic achievement. A child is more likely to graduate high school and become self-sufficient. (J) 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. (K) Studies of teenage single parents have lower cognitive scores, lower educational aspirations, and a greater likelihood of becoming teenage parents themselves. (L) Neighborhoods with higher percentages of youth ages 12 through 19 and areas with higher crime rates 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 in homes with both parents. (N) 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 added 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 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; (2) aid families in meeting the costs of running a home; (3) prevent and relieve families of the economic emergencies that cause them to be on welfare; (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 children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient. (ii) develop an objective and equitable basis, the need for 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 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 continuous assistance). (iv) ensure that parents and caretakers receiving assistance under the program engage in work activities in accordance with section 409(b). (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. (v) take such reasonable steps as the State deems necessary to restrict the use of funds made available under this part to ensure that funds are provided to needy families and individuals and families receiving assistance under the program attributable to funds provided by the Federal Government. (c) special provisions.— (1) 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. (2) 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. (3) the plan shall contain an estimate of the number of individuals (if any) who will be eligible for medical assistance under the State program, and if so, the cost to the Federal government of any increase in the Federal share of expenditures 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 to which any such increase will provide medical assistance to such individuals, and the scope of such medical assistance. (4) 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 B. (5) 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 to 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 support program. (6) 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. (7) 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 (6) for the fiscal year, which shall include assurances that local governments and private sector organizations participating in the program are being 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 situations. (8) have at least 60 days to submit comments on the final plan and the design of such services; and (9) not be 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.

"(6) CERTIFICATION THAT THE STATE WILL PROVIDE INDIVIDUALS WITH EQUITABLE ACCESS TO ASSISTANCE.—The plan shall include a certification by the chief executive officer of the State that each individual 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 Maintenance of EMPLOYMENT.—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 lost a position due to layoff by an individual to whom assistance is provided under the State program funded under this part; or
(C) the replacement of an employee who is laid off from a 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 plan 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 arrayed under section 403(b).

"(B) FAMILY ASSISTANCE GRANT DEFINED.—As used in this part, the term 'State family assistance grant' means the greatest of—:

(i) ½ 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 1996, 1997, 1998, 1999, 2000, and 2001, a grant in an amount equal to the State family assistance grant arrayed under section 403(b);
(ii) the total amount equal to $5 percent of the amount (if any) by which the total 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 section 402 (as so in effect)) exceeded the total Federal amount certified by the Secretary under former section 403(i) (as so in effect);
(iii) the total amount required to be paid to the State under former section 403(i) (as so in effect).

"(B) ILLEGITIMACY RATIO.—As used in this part, 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;

(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 CHANGES IN 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 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 years 1996, 1997, 1998, 1999, and 2001 such sums as are necessary for grants under this paragraph.

"(E) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(1) IN GENERAL.—Each qualifying State shall, subject to subparagraph (B), be entitled to receive from the Secretary 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 for each succeeding fiscal year 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 3 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; 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;

(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 CHANGES IN 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 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.

"(E) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(1) IN GENERAL.—Each qualifying State shall, subject to subparagraph (B), be entitled to receive from the Secretary 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 for each succeeding fiscal year 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 3 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; 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;

(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 CHANGES IN 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 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.

"(E) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

"(1) IN GENERAL.—Each qualifying State shall, subject to subparagraph (B), be entitled to receive from the Secretary 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 for each succeeding fiscal year 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 3 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; 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;

(ii) the number of births that occurred in the State during the most recent fiscal year for which such information is available.
(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 of the Treasury, for each fiscal year in which information is available, an amount equal to the amount required to be paid to the State under this paragraph for each of the most recent fiscal years for which the State was a 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 in the State for the immediately preceding fiscal year is less than the national average level of State welfare spending per poor person for the immediately 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 national rate of population growth for all States as so determined for such most recent fiscal year.

(ii) STATE MUST QUALIFY IN FISCAL YEAR IN WHICH UNIFORM GRANT IS TO BE MADE.—(aa) The Secretary 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).

(bb) A State is deemed to be a qualifying State for a fiscal year if—

(I) the total amount required to be paid to the State for the fiscal year exceeds 10 percent from 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 during fiscal year 1994 for each fiscal quarter (as in effect on September 30, 1994); and

(ii) the work programs of the State under section 402 are included in the training programs established by title II of the Job Training Partnership Act or (if such title is repealed by the Consolidated and Reformed Rehabilitation Act of 1978) the Consolidated Rehabilitation Act; and

(iii) the State meets additional requirements to meet such requirements or certifies that it intends to meet such requirements.

(B) GRANTS.—(I) The Secretary shall 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 during fiscal year 1994 exceeds the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994).

(ii) AVAILABILITY.—Amounts appropriated pursuant to this paragraph for a fiscal year are available for obligation until expended for the work programs of the State under section 402 as required.

(iii) FUND.—The amounts appropriated pursuant to this paragraph for a fiscal year shall be payable to the Secretary of the Treasury on an estimated basis by the Secretary.

(iv) CONTINGENCY FUND.—(A) The Secretary shall, before each quarter, estimate the amounts needed for each quarter to pay all State claims for that quarter and the amount remaining in the Fund.

(B) PRORATION.—(I) The Secretary shall prorate the amount remaining in the Fund on a quarterly basis.

(ii) The Secretary shall timely pay all State claims for the quarter.

(B) QUALIFYING STATE.—(I) The Secretary shall determine which States shall be deemed qualifying States.

(ii) The determination of the Secretary shall be final and may not be reviewed by any court.

(C) REGULATIONS.—The Secretary shall issue regulations providing for the equitable distribution of funds to States under this paragraph.

(D) APPROPRIATION.—(i) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there shall be appropriated for the fiscal years 1997, 1998, 1999, and 2000 such sums as are necessary for payment to the States under this paragraph.

(ii) Appropriations.—In addition to the State and a fiscal year—

(A) There shall be appropriated for the fiscal years 1997, 1998, 1999, 2000, 2001 and 2002 such sums as are necessary for payment to the States under this paragraph for fiscal year 2001, and

(B) There shall be appropriated for the fiscal years 2002 and 2003 such sums as are necessary for payment to the States under this paragraph for fiscal year 2003.

(iii) Total amount.—In each of the fiscal years 1997, 1998, 1999, 2000, 2001 and 2002, the total amount appropriated in this paragraph, in a total amount not to exceed $800,000,000.

(F) GRANTS REDUCED PRO RATA IF INSUFFICIENT FUNDING.—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 such fiscal year, the entire amount otherwise required to be made 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 be increased by amounts appropriated under this paragraph for fiscal year 2000, and

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"(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 of the Treasury, for each fiscal year in which information is available, an amount equal to the amount required to be paid to the State under this paragraph for each of the most recent fiscal years for which the State was a 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 in 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 national rate of population growth for all States as so determined for such most recent fiscal year.

(ii) STATE MUST QUALIFY IN FISCAL YEAR IN WHICH UNIFORM GRANT IS TO BE MADE.—(aa) The Secretary 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).

(bb) A State is deemed to be a qualifying State for a fiscal year if—

(I) the total amount required to be paid to the State for the fiscal year exceeds 10 percent from 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 during fiscal year 1994 for each fiscal quarter (as in effect on September 30, 1994); and

(ii) the work programs of the State under section 402 are included in the training programs established by title II of the Job Training Partnership Act or (if such title is repealed by the Consolidated and Reformed Rehabilitation Act of 1978) the Consolidated Rehabilitation Act; and

(iii) the State meets additional requirements to meet such requirements or certifies that it intends to meet such requirements.

(B) GRANTS.—(I) The Secretary shall 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 during fiscal year 1994 exceeds the total expenditures of the State during fiscal year 1994 to carry out part F (as in effect on September 30, 1994).

(ii) AVAILABILITY.—Amounts appropriated pursuant to this paragraph for a fiscal year are available for obligation until expended for the work programs of the State under section 402 as required.

(iii) FUND.—The amounts appropriated pursuant to this paragraph for a fiscal year shall be payable to the Secretary of the Treasury on an estimated basis by the Secretary.

(iv) CONTINGENCY FUND.—(A) The Secretary shall, before each quarter, estimate the amounts needed for each quarter to pay all State claims for that quarter and the amount remaining in the Fund.

(B) PRORATION.—(I) The Secretary shall prorate the amount remaining in the Fund on a quarterly basis.

(ii) The Secretary shall timely pay all State claims for the quarter.

(B) QUALIFYING STATE.—(I) The Secretary shall determine which States shall be deemed qualifying States.

(ii) The determination of the Secretary shall be final and may not be reviewed by any court.

(C) REGULATIONS.—The Secretary shall issue regulations providing for the equitable distribution of funds to States under this paragraph.

(D) APPROPRIATION.—(i) In general.—Out of any money in the Treasury of the United States not otherwise appropriated, there shall be appropriated for the fiscal years 1997, 1998, 1999, and 2000 such sums as are necessary for payment to the States under this paragraph for a fiscal year if—

(A) 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 such supplemental grants as 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—

(ii)(I) the average rate of total unemployment in a State (seasonally adjusted) for the 3-month period is not less than 10 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(b) of the Food Stamp Act of 1977, for the most recent 3-month period for which data are available exceeds 120 percent of such average monthly number for fiscal year 1994 or for fiscal year 1995; and

(iii) 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), such supplemental grants to States described in this subparagraph, the amount by which payments to such States under paragraph (4) would otherwise be reduced under paragraph (8);

(2) FUNDING.—(I) The Secretary shall, before each quarter, estimate the amount to be paid to each State from the Fund, such estimate to be based on—

(A) the need of the State containing an estimate by the State of qualifying State expenditures for the quarter; and

(B) other information as the Secretary may find relevant and reliable.

(B) THE SECRETARY MAY CERTIFY TO THE SECRETARY OF THE TARMONY THE AMOUNT SO ESTIMATED TO THE SECRETARY OF THE TARMONY.

(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 total expenditures of the State in the fiscal year under the provisions of this title would otherwise be reduced under this part and expenditures on cash assistance under other State programs with respect to eligible families (as defined in section 402(b)(1)(A)); and

(b) the number of percentage points (if any) by which 40 percent of the State family assistance grants for the fiscal year exceed 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 that would be paid under section 403 for the fiscal year to the State under section 403(a)(3), if the Secretary were to make such payment to the State.

(6) ELIGIBLE STATE.—For purposes of this subsection, a State is an Eligible State if—

(A) during any fiscal year, the average number of persons in the State receiving assistance under 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 average number in such State for the fiscal year ending in 1994; and

(B) during any year, the average number of persons in the State receiving assistance under 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 average number in such State for the fiscal year ending in 1995.

SEC. 405. ADMINISTRATIVE PROVISIONS.

(a) QUARTERLY.—The Secretary shall pay each grant payable to a State under section 403 in quarterly installments.

(b) TECHNOLOGY AND COMPUTERIZATION.—The Secretary shall, to the extent feasible and consistent with the provisions of this subsection, make grants available to States to assist them in meeting the costs of equipment and training needed for meeting the requirements of this section.

(c) USE OF LOAN.—A State shall use a loan made to the State under this section only for those purposes for which the Secretary determines that such loan is necessary to improve employment opportunities in the State.

SEC. 406. FEDERAL LOANS FOR STATE WELFARE PROGRAMS.

(a) LOAN AUTHORITY.—

(1) GENERAL.—The Secretary shall make loans to the eligible State, for a period to maturity of not more than 3 years, only to the extent that the loan, together with any loan made to other States under this section, makes the amount outstanding consistent with the provisions of this subsection, will be the same as that issued pursuant to section 454(b) applicable to collection of past-due payments.

(b) INTEREST.—Interest on any loan under this section shall be calculated at the maximum amount allowable under section 409(e).

(2) PAYMENT.—The Secretary shall make the payment in accordance with section 409(c).

(c) PAYMENT METHOD.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary shall make the payment in accordance with section 409(c).

(d) COLLECTION OF 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 had imposed an overpayment under this section, the Secretary shall give the Secretary of Health and Human Services that a State agency had imposed an overpayment under this section, the Secretary shall impose an 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 part.

(2) PAYMENT.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary shall make the payment in accordance with section 409(c).

(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 had imposed an overpayment under this section, the Secretary shall give the Secretary of Health and Human Services that a State agency had imposed an overpayment under this section, the Secretary shall impose an 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 part.

(2) PAYMENT.—Upon receipt of a certification under subsection (c)(2) with respect to a State, the Secretary shall make the payment in accordance with section 409(c).

(3) 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:

“(i) welfare anti-fraud activities; and

“(ii) 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) 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. 497. WORK REQUIREMENTS; INDIVIDUAL RESPONSIBILITY PLANS.

“(a) PARTICIPATION RATE REQUIREMENTS.—The average monthly 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:

The minimum participation rate is:

If the fiscal year is:
1997
1998
1999
2000
2001
2002 or thereafter...

rate is:
20
25
30
35
40
50

“(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 a fiscal year is determined for each month, expressed as a percentage, as—

“(i) the number of families receiving assistance under the State program funded under this part in that month that include an adult engaged in work per week for which the average number of hours per week is:

<table>
<thead>
<tr>
<th>Year</th>
<th>Hours per Week</th>
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<tbody>
<tr>
<td>1996</td>
<td>20</td>
</tr>
<tr>
<td>1997</td>
<td>25</td>
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<tr>
<td>1998</td>
<td>30</td>
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<td>1999</td>
<td>35</td>
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<tr>
<td>2000</td>
<td>40</td>
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<tr>
<td>2001</td>
<td>50</td>
</tr>
<tr>
<td>2002 or thereafter</td>
<td>50</td>
</tr>
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</table>

“(ii) the number of families that received aid under the State plan approved under section 412 and were subject in such month to a work requirement of 20 or more hours per week in the preceding 12-month period (whether or not consecutive).

“(c) Special rule.—An individual shall be considered to be engaged in work 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 of the first year after the month in which the first cessation of assistance to an individual under the program during which the individual is employed for an average of more than 20 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 sec forth in paragraph (1)(B), except that in the formula the number of 2-parent families shall be substituted for the term 'number of families' each place such latter term appears.

“(2) 2-PARENT FAMILIES.—

If the month is:

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Average Hours per Week</th>
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<tbody>
<tr>
<td>1996</td>
<td>20</td>
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<td>1997</td>
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<td>2001</td>
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<tr>
<td>2002 or there and</td>
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</table>

“(d) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO BASELINE 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 for the number of percentage points equal to the number of percentage points (if any) by which—

“(i) the number of families receiving assistance under the State program funded under this part is less than

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Reduction Percentage</th>
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</thead>
<tbody>
<tr>
<td>1997</td>
<td>20</td>
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<tr>
<td>1998</td>
<td>25</td>
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<td>2001</td>
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<tr>
<td>2002 or there</td>
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</tbody>
</table>

“(ii) the number of families that received aid under the State plan approved under section 412 and were subject in such month to a work requirement of 20 or more hours per week in the preceding 12-month period (whether or not consecutive).

“(e) 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 the State program operated under the State plan approved under part A (as such part was in effect on September 30, 1995) for the fiscal year 1994 or 1995, whichever is the greater.

“(f) STATE OPTION TO INCLUDE INDIVIDUALS UNDER 25 YEARS OF AGE.—For purposes of paragraphs (1), (2), (3), (4), (5), (7), or (8) of subsection (b), not more than 20 percent of the number of adults in all families and in 2-parent families determined to be engaged in work in a fiscal year for a month may meet the work activity requirement through participation in educational training.

“(g) WORK ACTIVITIES DEFINED.—As used in this section, the term 'work activities' means—

“(i) unsubsidized employment;

“(ii) subsidized private sector employment;

“(iii) subsidized public sector employment;

“(iv) work experience (including work associated with the furnishing of publicly assisted housing) if sufficient private sector employment is not otherwise 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) 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 certificat e 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 18 years of age.

“(h) 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 or is not in compliance 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 an individual who fails without good cause to comply with subparagraph (A) with respect to an individual—

(i) within 90 days (or, at the option of the State, 90 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).

(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 an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

(ii) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount, any assistance provided under this part of all available services under the program for which they are eligible.

(3) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—(A) The State agency shall inform all applicants for and recipients of assistance under this part of the availability under this part of all available services under the program.

(B) The State agency shall provide job counseling and other services that will be provided by the State: and

(C) Unavailability or unsuitability of formal child care arrangements.

SHOULD IMPOSE CERTAIN REQUIREMENTS ON

individuals who—

(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).

(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 an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

(i) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount, any assistance provided under this part of all available services under the program for which they are eligible.

(ii) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount, any assistance provided under this part of all available services under the program for which they are eligible.

(3) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—(A) The State agency shall inform all applicants for and recipients of assistance under this part of the availability under this part of all available services under the program.

(b) The State program shall be in place by the date of the enactment of the Act.

(c) The State program shall be in place by the date of the enactment of the Act.

(d) The State program shall be in place by the date of the enactment of the Act.

(e) The State program shall be in place by the date of the enactment of the Act.

(f) The State program shall be in place by the date of the enactment of the Act.

(g) The State program shall be in place by the date of the enactment of the Act.

(h) The State program shall be in place by the date of the enactment of the Act.

(i) The State program shall be in place by the date of the enactment of the Act.

(j) The State program shall be in place by the date of the enactment of the Act.

(3) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—(A) The State agency shall inform all applicants for and recipients of assistance under this part of the availability under this part of all available services under the program.

(B) The State agency shall provide job counseling and other services that will be provided by the State: and

(C) Unavailability of appropriate child care arrangements.

SHOULD IMPOSE CERTAIN REQUIREMENTS ON

individuals who—

(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).

(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 an individual who fails without good cause to comply with an individual responsibility plan signed by the individual.

(i) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount, any assistance provided under this part of all available services under the program for which they are eligible.

(ii) PENALTY FOR NONCOMPLIANCE BY INDIVIDUAL.—The State shall reduce, by such amount, any assistance provided under this part of all available services under the program for which they are eligible.

(3) PROVISION OF PROGRAM AND EMPLOYMENT INFORMATION.—(A) The State agency shall inform all applicants for and recipients of assistance under this part of the availability under this part of all available services under the program.

(b) The State program shall be in place by the date of the enactment of the Act.

(c) The State program shall be in place by the date of the enactment of the Act.

(d) The State program shall be in place by the date of the enactment of the Act.

(e) The State program shall be in place by the date of the enactment of the Act.

(f) The State program shall be in place by the date of the enactment of the Act.

(g) The State program shall be in place by the date of the enactment of the Act.

(h) The State program shall be in place by the date of the enactment of the Act.

(i) The State program shall be in place by the date of the enactment of the Act.

(j) The State program shall be in place by the date of the enactment of the Act.
family under the State program funded under this part, that a member of the family assign to the State any rights to support due or a legal guardian, or after the date the family leaves the program, except to the extent necessary to enable the State to comply with section 657.

(A) 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 who has not attained 18 years of age, is not married, has a minor child at least 12 weeks of age, 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.

"(ii) INDIVIDUAL DESCRIBED.—For purposes of clause (i), an individual described in this clause is an individual who—

"(I) has attained 18 years of age; and

"(II) is not married, and has a minor child in his or her care.

"(B) EXCEPTION.—

"(I) A PERSON FOUND TO HAVE FRAUDULENTLY MISAPPREHENDED FEDERAL FUNDS.—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 attributable to funds provided by the Federal Government, the State shall disregard any month for which such assistance was provided with respect to 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 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 as an individual who—

"(I) the individual has no parent, legal guardian or other appropriate adult relative described in subsection (ii) of his or her own who is providing 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)(I) 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;

"(IV) the State agency otherwise determines that it is in the best interest of the minor child to waive the requirement of subparagraph (A)(ii) with respect to the individual and the minor child;

"(V) the State agency otherwise determines that it is the best interest of the minor child to receive 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.

"(II) NO ASSISTANCE TO ELDERLY INDIVIDUALS.—

"(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 assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in subparagraph (A)(ii)(II) 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 relative's child or member of the individual's household.

"(B) EXCEPTION FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

"(C) 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 the minor child referred to in subparagraph (A)(ii)(II) if—

"(I) a minor child; and

"(ii) the head of a household or married to the head of a household.

"(D) HARDSHIP EXCEPTION.—In the case of an individual described in subparagraph (A), the term 'medical services' includes family planning services.

"(II) 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 assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in subparagraph (A)(ii)(II) 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 relative's child or member of the individual's household.

"(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 the minor child referred to in subparagraph (A)(ii)(II) if—

"(I) the individual is under 18 years of age;

"(II) the individual is not married, and has a minor child in his or her care;

"(III) neither the individual nor the minor child referred to in subparagraph (A)(ii)(I) 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; and

"(IV) the State agency otherwise determines that it is in the best interest of the minor child to receive 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.

"(D) RULE FOR FAMILY PLANNING SERVICES.—As used in subparagraph (A), the term 'medical services' does not include family planning services.

"(E) EXCEPTION 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 consensual 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.

"(B) DENIAL OF ASSISTANCE FOR 10 YEARS TO A PERSON FOUND TO HAVE COMMUNICATED FRAUDULENTLY MISREPRESENTED RESIDENCE 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 omission with respect to the 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, the Food Stamp Act of 1977, or benefits in 2 or more States under the supplemental security income program under title XVI.

"(C) DENIAL OF ASSISTANCE FOR FUGITIVES, 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 of which the individual flees, or under the laws 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 in the place from which the individual flees; and

"(B) EXCHANGE OF INFORMATION WITH LAW ENFORCEMENT AGENCIES.—If a State to which a grant is made under section 403 establishes satisfactory procedures for the exchange 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 to 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 request in the course of official duties, and notifies the agency that—

"(i) the recipient—

"(aa) is described in subparagraph (A); or

"(bb) is identified in the 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.

"(II) 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 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 during any calendar year, if the State determines that the child is absent from the home for a period that begins on the date the State program funded under this part.

"(B) STATE AUTHORITY TO ESTABLISH GOOD CAUSE EXCEPTIONS.—A State may establish such good cause exceptions to subparagraph (A) as the State determines 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

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made under section 403 shall not use any part of the grant to provide assistance to any consumer who is a parent (or other caretaker) 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 subparagraph (A) or for pursuant to paragraph (A) of subparagraph (C) of section 405. A report under section 405 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 established under section 1137, or a Federal program other than under this part to which a grant is made under section 402 of the Bipartisan Welfare Reform Act of 1996.

"(12) INCOME SECURITY PAYMENTS NOT TO BE DISREGARDED IN DETERMINING THE AMOUNT OF ASSISTANCE TO BE PROVIDED TO A FAMILY.—If a State program funded under section 402 of the Bipartisan Welfare Reform Act of 1996 makes a payment under a State plan for old-age assistance approved under section 2, a State program established under section 1137, or a Federal program other than under this part to which a grant is made under section 402 of the Bipartisan Welfare Reform Act of 1996, the Secretary shall reduce the grant payable to the State under section 403(a)(i) for the immediately succeeding fiscal year quarter to which this section applies by the amount of any income security payments not to be disregarded 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.—The Secretary shall reduce the grant payable to the State under section 403(a)(i) for the immediately succeeding fiscal year quarter to which this section applies by the amount of any income security payments not to be disregarded 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.

"(14) 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 amount borrowed, plus the total amount required to be paid to the State under section 403(a)(i) for the immediately succeeding fiscal year quarter (without regard to this section) by the outstanding amount, the Secretary shall not forgive any outstanding loan amount or interest owed on the outstanding amount.

"(15) FUNDING FOR DIFFERENT PURPOSES.—The term "funds" used in this section does not include 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.

"(16) REDUCTION 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 411 for a fiscal year, the Secretary shall increase the rate of unemployment in the State, in accordance with regulations which the Secretary shall prescribe.

"(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 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


"(III) HISTORIC STATE EXPENDITURES.—The term "historic State expenditures" means, with respect to the fiscal year immediately preceding the 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 the total amount required to be paid to the State under former section 403 for fiscal year 1994 bears to the total amount required to be paid to the State under section 403 for fiscal year 1995.

"Such term does not include any expenditures under the State plan approved under part A or section 403 which are 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 result of the Federal Government's payment for Federal programs other than under this part.

"(V) PERFORMANCE-BASED ADJUSTMENTS TO APPLICABLE PERCENTAGE.—

"(A) IN GENERAL.—The term "applicable percentage" means—

"(I) any expenditures from amounts made available by the Federal Government;

"(II) any expenditures from amounts made available by the Federal Government;
"(II) REDUCTION OF THRESHOLD.—The Secretary shall reduce the applicable percentage for a State for a fiscal year by not more than 5 percent if the Secretary determines that the State, for the purposes of this section, has substantially complied with the requirements of section 452(a)(4) for the fiscal year, thereby reducing the applicable percentage to not less than 4 nor more than 5 percent, if the Secretary determines that the State, during the fiscal year, failed to substantially comply with the requirements of section 452(a)(4) for the fiscal year, thereby reducing the applicable percentage to not less than 3 nor more than 5 percent.

(3) EFFECT OF FAILING TO CORRECT VIOLATION.—If the Secretary determines that the State has failed to correct substantially a violation pursuant to a State corrective compliance plan submitted by the State under section 408(a)(15) during a quarter, the Secretary shall reduce whatever amount the Secretary finds to have been paid during the 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.

(4) 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 preceding fiscal year by an amount equal to 5 percent of the portion of the State family assistance grants that is payable to the State for such succeeding quarter and each subsequent quarter that ends before the 1st quarter throughout which the program is found to be in substantial compliance with the requirements of this paragraph.

(5) ADMINISTRATIVE REVIEW.—If 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 a violation of this part or (or in the Secretary’s discretion, the violation may be reduced or limited to categories under or parts of the State program not affected by the failure), the Secretary may not impose a penalty against a State under subsection (a) (with respect to the violation pursuant to such a re-

(6) SUBSTANTIAL NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—If the Secretary finds that the State has failed to comply with section 408(a)(13) 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 a violation of this part or (or in the Secretary’s discretion, the violation may be reduced or limited to categories under or parts of the State program not affected by the failure), the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately preceding fiscal year by an amount equal to 5 percent of the portion of the State family assistance grants that is payable to the State for such succeeding quarter.

(7) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year, the amount from the Contingency Fund for State Welfare Programs has 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 a violation of this part or (or in the Secretary’s discretion, the violation may be reduced or limited to categories under or parts of the State program not affected by the failure), the Secretary shall reduce whatever amount the Secretary finds to have been paid during the fiscal year by an amount equal to the difference between the amount the State would have expended on child support enforcement pursuant to section 408(a)(13) during the fiscal year in the absence of such noncompliance and the amount the State expended on such child support enforcement assistance during the fiscal year.

(8) FAILURE TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT REDUCTIONS.—If the grant payable to a State under section 403(a)(1) for the immediately preceding fiscal year is reduced by reason of this subsection, the Secretary shall reduce whatever amount the State program funded under this part an amount equal to the total amount paid to the State under section 408(a)(11) for the immediately succeeding fiscal year, expended under the State program funded under this part an amount equal to the total amount paid to the State under section 408(a)(11) for the immediately succeeding fiscal year, expended under the State program funded under this part an amount equal to the total amount the State has expended on child support enforcement pursuant to section 408(a)(13) during the fiscal year in the absence of such noncompliance and the amount the State expended on such child support enforcement assistance during the fiscal year.

(9) FAILURE TO PROVIDE VOUCHER ASSISTANCE.—If the Secretary determines that a State program funded under this part 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 a violation of this part or (or in the Secretary’s discretion, the violation may be reduced or limited to categories under or parts of the State program not affected by the failure), 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 program not affected by the failure). 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 403 or the imposition of a penalty under section 408.

(b) ADMINISTRATIVE REVIEW.—

(1) IN GENERAL.—Within 60 days after the date a State receives notice under subsection (a) that the Secretary has taken an adverse action, the State shall appeal the action, in whole or in part, to the Departmental Appeals Board established in the Department of Health and Human Services under such regulations 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 request the Secretary to review the decision made by 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 the record information on the families receiving assistance during the fiscal year that covers the failure under the State program not affected by the failure) and the findings incorporated into the final decision by filing an appeal 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.

(3) JUDICIAL REVIEW OF ADVERSE DECISION.—

(1) IN GENERAL.—Within 90 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 403 or the imposition of a penalty under section 408.

(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, with the record reviewed, and the deadlines established 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 record established by the Board with 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.
(iii) Whether a child receiving such assistance or an adult in the family is disabled.

(iii) The age 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) Whether the family left the program.

(xi) 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.

(xii) 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.

(xiii) Whether the head of the family or an adult in the family is disabled.

(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 409(a) (8); and

(xv) Any amount of unearned income received by the member of the family.

(xvi) The citizenship of the members of the family.

(B) USE OF ESTIMATES.—The Secretary may comply with subparagraph (A) by submitting an estimate which is obtained through the use of scientifically acceptable sampling methods approved by the Secretary.

(C) 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 provide comprehensive estimates of the performance of State programs funded under this part. The Secretary may develop and implement procedures for verifying the quality of such data and estimates.

(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 amount 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 NEEDED 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 non-custodial 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 under this part, the type of transitional services provided to a family that has ceased to receive assistance under this part because of employment; along with a description of the transitional services and the performance of data submitted by the States.

(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.

(7) 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—

(I) whether the States are meeting—

(A) the participation rates described in section 407(a) (8); 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;

(II) the demographic and financial characteristics of families applying for assistance, families receiving assistance, and families that become ineligible to receive assistance;

(III) the characteristics of each State program funded under this part; and

(IV) the amount so determined that is attributable to expenditures by the State.

(8) AMOUNT DETERMINED.—

(i) In general.—The amount determined under this subparagraph is an amount equal to the amount determined under subparagraph (A) in effect during such fiscal year.

(ii) In general.—The amount determined under this subparagraph is an amount equal to the amount determined under subparagraph (A) in effect during fiscal year 1994.

(9) ELIGIBLE INDIAN TRIBES.—For purposes of paragraphs (2) and (b), the term 'eligible Indian tribe' means an Indian tribe or Alaska Native organization that conducted a job opportunities and basic skills training program year for a fiscal year specified in subparagraph (A) or for which the Secretary determined, 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) or for which the Secretary determined, under section 482(i) (as in effect during fiscal year 1995).

(2) 3-YEAR TRIBAL FAMILY ASSISTANCE PLAN.—

(i) 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; and

(B) specifies the nature and extent of 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.

(ii) The plan identified 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


(2) APPROVAL.—The Secretary shall approve each tribal family assistance plan submitted in accordance with paragraph (i).

(D) 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, or an intertribal consortium.

(C) MINIMUM WORK PARTICIPATION REQUIREMENTS AND TIME LIMITS.—The Secretary, with the participation of Indian tribes, shall establish such requirements as are necessary for receiving a grant under this section minimum work participation requirements, appropriate time limits for receipt of welfare-related services under the grant, penalties against individuals—

(i) consistent with the purposes of this section;

(ii) consistent with the economic conditions and resources available to each tribe; and

(iii) similar to comparable provisions in section 407(d).
the Secretary to maintain program funding accountability consistent with—

(1) generally accepted accounting principles;

(2) the requirements of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.);

B. 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 assistance plan.

(h) SPECIAL RULE FOR INDIAN TRIBES IN ALASKA.—

(1) In general.—Notwithstanding any other provisions 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 through a program evaluation criteria developed by the Secretary in consultation with the State of Alaska and such Indian tribes.

(3) Waiver.—An Indian tribe described in paragraph (1) may apply to the appropriate State authority to receive a waiver of the requirements of paragraph (1).

SEC. 413. RESEARCH, EVALUATIONS, AND REPORTING.

(a) Research.—The Secretary shall conduct research on the benefits, costs, and effectiveness of administering and operating the program 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 in reducing 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 innovative approaches to reducing welfare dependency and increasing child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of innovative approaches to reducing welfare dependency and increasing child well-being, and any other area the Secretary deems appropriate.

(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 child well-being, and shall give priority 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—

(A) use random assignment as an evaluation methodology;

(B) disseminate information—

(i) The Secretary shall develop innovative methods of disseminating information on any research, evaluations, and studies conducted under this section, including the facilitation of the exchange of research findings and best practices among States and localities through the use of computers and other technologies.

(3) 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 assistance is provided under section 403 in the order of their success in placing recipients of assistance under the 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 a 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 services to 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.

(3) Net Changes in the Out-of-Wedlock Ratio.—The ratio represented by—

(I) the total number of out-of-wedlock births in families receiving assistance under the program in the State for the most recent fiscal year for which information is available;

(II) the total number of births in families receiving assistance under the program in the State for the most recent fiscal year for which information is available; and

(3) unless otherwise waived by the Secretary, the State submits a proposal 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-A of this Act (as in effect without regard to the amendments made by the Bipartisan Welfare Reform Act of 1996) that are greater than or equal to 10 percent of the cost of the evaluation.

(c) 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 $10,000,000 for each fiscal year specified in section 411 for the purposes described in subparagraphs (A) and (B) of paragraph (1), and (c) of subparagraph (f) of paragraph (1), of the Bipartisan Welfare Reform Act of 1996.

(2) Annual Allocation.—Of the amount appropriated under paragraph (1) for a fiscal year—

(A) at least 75 percent shall be allocated for the purposes described in subparagraphs (A) and (B) of subparagraph (f) of paragraph (1); and

(B) 25 percent shall be allocated for the purposes described in subparagraphs (C) and (D) of paragraph (1).

SEC. 414. STUDY BY THE CENSUS BUREAU.

(4) In general.—The Bureau of the Census shall prepare the Survey and Program Participation, if 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 shall submit the report to the House of Representatives and the Senate within one year after the expiration of the fiscal year.
States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, and American Samoa.

SEC. 184. PROGRAMS DESCRIBED.—The programs described in subsection (a) shall be administered by an Assistant Secretary for Native American Affairs.

(b) STANDARDS.—A State may—

(1) STANDARDS—A State may—

(A) administer and provide services under the programs described in subparagraph (A) and (B)(i) of paragraph (2) through contracts and grants 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) Special rule for Indian tribes in connection with its decennial census and shall be construed to preempt any provision of a State constitution or State statute that prohibits or requires the expenditure of the expenditure which are redeemable with such organization.

(C) Special rule for Indian tribes in connection with its decennial census and shall be construed to preempt any provision of a State constitution or State statute that prohibits or requires the expenditure of the expenditure which are redeemable with such organization.

(D) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to the receipt of funds under a program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to participate in a religious practice.

(E) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to the receipt of funds under a program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to participate in a religious practice.

(F) 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 any program described in subsection (a)(2) so long as the programs are implemented consistent with the Establishment Clause of the United States Constitution, shall not 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 of the organization has a religious character or freedom of beneficiaries of assistance funded under such program.

(G) CONTINUATION OF INDIVIDUAL WAIVER PROGRAMS DESCRIBED.—The programs described in subsection (a)(2) shall be subject to the regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such program.

(H) FISCAL ACCOUNTABILITY.—Except as provided in paragraph (2), any religious organization contracting to provide assistance funded under a program described in subsection (a)(2) shall be subject to the regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such program.

(I) LIMITATIONS.—If such organization segregates Federal funds provided under such programs into separate accounts, then only those Federal funds provided with such funds shall be subject to audit.

(J) COMPLIANCE.—Any party which seeks to enforce its rights under this section may assert such action for the individual or organization adversely affected by any governmental organization.

(K) PREEMPTION.—Nothing in this section shall be construed to preempt any provision of a State constitution or State statute that may be inconsistent with the provisions of this section.

(L) AUTHORITY.—(1) IN GENERAL.—If an individual described in subsection (a) is a minor child, the term 'minor child' means an individual who—

(i) has not attained 18 years of age; or

(ii) has not attained 19 years of age and is in a full-time student in a secondary school; or in the equivalent level of vocational or technical education.

(2) ADDITIONAL SAFEGUARDS—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 of religion, a religious belief, or refusal to participate in a religious practice.

(M) REASONABLE CARE.—A reasonable care shall be provided, to the extent practicable, to the State which terminates a waiver under paragraph (1) shall submit a report to the Secretary summarizing the waiver and the implications of the decision to the Secretary before the date described in subparagraph (B). A written request to terminate a waiver described in subsection (a) shall be held harmless for accrued cost neutrality in the event that the determination is made under this section.

(N) STATE.—Except as otherwise specifically provided, the term 'State' means the State under a program described in subsection (a)(2).

(O) RIGHTS OF BENEFICIARIES OF ASSISTANCE.—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, or to any program under a 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.

(P) STATEMENT.—In general.—If 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).

(Q) EMPLOYMENT PRACTICES.—A religious organization’s exemption provided under section 702 of the Civil Rights Act of 1964 (42 U.S.C. 2000e-la) regarding employment practices shall not be affected by its participation in, or receipt of funds from, programs described in subsection (a)(2).

(R) PROHIBITED PRACTICES.—A religious organization shall not discriminate against an individual in regard to the receipt of funds under a program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(S) NONDISCRIMINATION AGAINST BENEFICIARIES.—Except as otherwise provided in law, a religious organization shall not discriminate against an individual in regard to the receipt of funds under a program described in subsection (a)(2) on the basis of religion, a religious belief, or refusal to actively participate in a religious practice.

(T) 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 nongovernmental provider without impairing the religious character of such organizations, and without diminishing the religious freedom of beneficiaries of assistance funded under such program.

(U) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—A religious organization with a contract described in subsection (a)(2) shall be subject to the regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such program.

(V) NONDISCRIMINATION AGAINST RELIGIOUS ORGANIZATIONS.—A religious organization with a contract described in subsection (a)(2) shall be subject to the regulations as other contractors to account in accord with generally accepted auditing principles for the use of such funds provided under such program.
(b) Expanded Census Question.—In carrying out subsection (a), the Secretary of Commerce shall include 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: (i) a household in which a grandparent temporarily provides a home for a grandchild for a period of weeks or months during periods of parental absence; (ii) a household in which a grandparent provides a home for a grandchild and serves as the primary caregiver for the grandchild.

(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 under part A"; (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 under section 408(a)(4) or under section 408(a)(4) or under section 408(a)(4)".

(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".

(e) Amendments to Social Security Act.—(1) Section 405(c)(2)(C)(vi) is amended— (A) by striking "aid under a State plan approved under a State program funded under part A"; (B) by striking "such aid" and inserting "such assistance".

(f) Amendments to Section 408.—(1) Section 408(a)(4) (42 U.S.C. 658(a)(4)) is amended— (A) by striking "aid under plans approved and inserting "assistance under State programs funded under part A"; (B) by striking "such aid" and inserting "such assistance".

(g) Amendments to section 406.—(1) Section 406(b)(2) (42 U.S.C. 666(b)(2)) is amended by striking "aid" and inserting "assistance under a State program funded under part A"; (2) Section 406(e)(8) (42 U.S.C. 668(e)(8)) is amended— (A) by striking "aid under plans approved and inserting "assistance under State programs funded under part A"; (B) by striking "such aid" and inserting "such assistance".

(h) Amendments to section 407.—(1) Section 407 (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".

(i) Amendments to section 409.—(1) Section 409 (42 U.S.C. 671) is amended— (A) by striking "aid under plans approved and inserting "assistance under State programs funded under part A"; (B) by striking "such aid" and inserting "such assistance".

(j) Amendments to section 409A.—(1) Section 409A (42 U.S.C. 671A) is amended— (A) in the matter preceding paragraph (i)— (i) by striking "would meet" and inserting "would have met"; and (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)".

(k) Amendments to section 409B.—(1) Section 409B (42 U.S.C. 672(b)) is amended to read as follows: "(b)(1) For purposes of title XIX. any child with respect to whom foster care maintenance payment was 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 assistance as defined under subsection (a) of this title as so in effect. For purposes of title XX, any child with respect to whom foster care maintenance payment was 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 subsection (c)(26) as so defined."

(l) Amendments to section 409C.—(1) Section 409C (42 U.S.C. 673(a)) is amended— (A) by striking paragraph (a) and inserting paragraph (b) and insertingparagraph (b) and insertingparagraph (b) of subsection (a) of this title as so in effect. For purposes of paragraph (l), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payment 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 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 subsection (c)(26) as so defined.

(m) Amendments to section 409D.—(1) Section 409D (42 U.S.C. 673(b)) is amended— (A) by striking paragraph (a) and inserting paragraph (b) and insertingparagraph (b) of subsection (a) of this title as so in effect. For purposes of paragraph (l), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payment 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 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 subsection (c)(26) as so defined.

(n) Amendments to section 409E.—(1) Section 409E (42 U.S.C. 673(c)) is amended— (A) by striking paragraph (a) and inserting paragraph (b) and insertingparagraph (b) of subsection (a) of this title as so in effect. For purposes of paragraph (l), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payment 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 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 subsection (c)(26) as so defined.

(o) Amendments to section 409F.—(1) Section 409F (42 U.S.C. 673(d)) is amended— (A) by striking paragraph (a) and inserting paragraph (b) and insertingparagraph (b) of subsection (a) of this title as so in effect. For purposes of paragraph (l), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payment 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 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 subsection (c)(26) as so defined.

(p) Amendments to section 409G.—(1) Section 409G (42 U.S.C. 673(e)) is amended— (A) by striking paragraph (a) and inserting paragraph (b) and insertingparagraph (b) of subsection (a) of this title as so in effect. For purposes of paragraph (l), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payment 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 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 subsection (c)(26) as so defined.

(q) Amendments to section 409H.—(1) Section 409H (42 U.S.C. 673(f)) is amended— (A) by striking paragraph (a) and inserting paragraph (b) and insertingparagraph (b) of subsection (a) of this title as so in effect. For purposes of paragraph (l), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payment 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 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 subsection (c)(26) as so defined.

(r) Amendments to section 409I.—(1) Section 409I (42 U.S.C. 673(g)) is amended— (A) by striking paragraph (a) and inserting paragraph (b) and insertingparagraph (b) of subsection (a) of this title as so in effect. For purposes of paragraph (l), a child whose costs in a foster family home or child care institution are covered by the foster care maintenance payment 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 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 subsection (c)(26) as so defined.
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 (l), 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) by striking paragraphs (4) and (5); and

(B) by striking subsection (c)(3).

(4) 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 1115 shall be regarded as a permissible use of funds under such part; and

(5) In subsection (c)(3), by striking "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) by striking "or part A of title IV";

(B) by striking "403(a)";

(C) by striking "and part A of title IV";

and

(D) by striking ".

(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

and shall, in the case of American Samoa, mean 75 per cent 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";

(B) by striking "403(a)";

(C) by striking "and part A of title IV";

and

(D) by striking ".

(7) Section 1120 (42 U.S.C. 1320b-3(a)) is amended by striking "or part A of title IV".

(8) Section 1121 (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

(2) such program is not part of a State plan approved under section 402 of this Act, the total 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 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, 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 (a) for the fiscal year for payment to the territory.

(5) TOTAL AMOUNT EXPENDED BY THE TERRITORY.—The term "total amount expended by the territory" means the total amount expended by the territory for the fiscal year under the territory for the fiscal year.

(a) AMENDMENTS TO TITLE XVI.—Section 1108 (42 U.S.C. 1308) is amended—

(1) by redesigning subsection (c) as subsection (g);

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

"SEC. 1108. ADDITIONAL GRANTS TO PUERTO RICO AND AMERICAN SAMOA. LIMITATION ON TOTAL PAYMENTS.

"(1) 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 part A 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 (as defined in subsection (a)(2)), except that for fiscal year 1995, the amount shall not exceed the ceiling amount for the territory for the fiscal year.

"(2) ENTRILEMENT TO MACHING GRANT.—(I) 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 for the program 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, as 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 amended) for fiscal year 1995, as shall be determined by applying paragraph (3) of section 412(b)(1) to the territory; 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.
SEC. 109. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED ACTS.

(a) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 1984e) is amended—

(1) in the second sentence of subsection (a), by striking "part A 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. 1705 et seq.)"; and

(2) in subsection (d)—

(A) in paragraph (5), by striking "assistance 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 (1) through (6). re-

(b) Section 266(c)(2) of title 21 (42 U.S.C. 1758) is amended—

(1) in the second sentence of subsection (a), by striking "the program for aid to families with dependent children" and inserting "any other" and inserting "the program for aid to families with dependent children" and inserting "assistance under a State program funded"; and

(2) in subsection (b), by striking "the program for aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(c) Section 266(c)(6) of title 21 (42 U.S.C. 1758) is amended—

(1) in subsection (b)(2), by striking "aid to families with dependent children" and inserting "assistance under a State program funded"; and

(2) in subsection (c), by striking "the program for aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

(d) Section 266(c)(7) of title 21 (42 U.S.C. 1758) is amended—

(1) in subsection (a), by striking "aid to families with dependent children" and inserting "assistance under a State program funded"; and

(2) in subsection (b), by striking "aid to families with dependent children under a State plan approved" and inserting "assistance under a State program funded".

SEC. 110. CONFORMING AMENDMENTS TO OTHER ACTS.

(a) Subsection (b) of section 508 of the Unemployment Compensation Amendments of 1976 (42 U.S.C. 605a). Public Law 94-554 (90 Stat. 2783) is amended to read as follows:

"(b) NO PROVIDE FOR REIMBURSEMENT OF EXPENSES.—For purposes of section 455 of the Social Security Act, expenses incurred to reimburse State unemployment offices for furnishing information requested of such offices—

(ii) 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 10, 1933 (29 U.S.C. 49b(a)), or

(ii) by a State or local agency charged with the duty of carrying a State plan for unemployment insurance approved by the Secretary of Labor pursuant to part D of title IV of the Social Security Act, shall be considered to constitute expenses incurred in the administration of such State plan funded under part A of title IV of the Social Security Act.'

(b) Section 9121 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 662 note) is repealed.

(c) Section 9122 of the Omnibus Budget Reconciliation Act of 1987 (42 U.S.C. 662 note) is repealed.

(d) Section 221 of the Housing and Urban-Rural Development Act of 1983 (42 U.S.C. 662 note), relating to treatment under AFDC of certain rental payments for federally assisted housing, is repealed.

(e) Section 221 of the Tax Equity and Fiscal Responsibility Act of 1982 (42 U.S.C. 662 note) is repealed.
except that where a State ratably reduces its AFDC or State program payments, the Bureau shall reduce general assistance payment amounts to the extent that the reductions are ratably allocated by the State as the State has reduced the AFDC or State program payments.

(1) The Internal Revenue Code of 1986 (26 U.S.C. 6103) is amended to read as follows:

(2) in section 3304(a)(16) (26 U.S.C. 6334(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 plan funded;"

(3) in section 6103(i)(7)(D)(i) (26 U.S.C. 6103(i)(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(i)(10) (26 U.S.C. 6103(i)(10)), by striking "(A) by striking "(c)" or "(d)" each place it appears and inserting "(c), or (d);" 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), and inserting "(5), and;"

(B) by striking "(9), or (12);" and inserting "(9), (10), or (12);"

(C) 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 (j) 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) (26 U.S.C. 7523(b)(3)), 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. 49(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—


(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;"

(q) Section 304(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).
load implications of issuing a counterfeit-re-
sistant social security card for all individ-
uals over a 3-, 5-, and 10-year period. The
study shall also evaluate the card's feasibility and
it costs implications of imposing a user fee for
replacement cards and cards issued to indi-
viduals who apply for such a card prior to the
scheduled 3-, 5-, and 10-year phase-in op-
tions.
(3) DISTRIBUTION OF REPORT.—The Commiss-
ioner shall submit copies of the report de-
scribed in this subsection along with a fac-
simile of any public broadcast or other type of
general public advertising, such communi-
cation shall state the following: “This was pre-
pared and paid for by an organization that
advocates increased dividends of the
(B) FAILURE TO COMPLY.—If an organi-
ization makes any communication described in
subsection (a) and fails to provide the state-
ments required by that subsection, such orga-
nization shall be ineligible to receive Federal
funds under this Act or the amendments made
by this Act.
SEC. 111. MODIFICATIONS TO THE JOB OPPOR-
TUNITIES FOR CERTAIN LOW-INCOME
FAMILIES.—Section 505 of the Family Support Act
of 1988 (42 U.S.C. 1315 note) is amended—
(a) in the heading, by striking “DEMO-
NSTRATION”;
(b) by striking “demonstration” each place
such term appears;
(c) in subsection (a), by striking “in each of the
first five years” and all that follows through “10” and inserting “shall enter into agree-
ments with—
(1) 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’’;
(2) in section 1902(c) as in effect as of July
1, 1996, if the State requires
“MUM AFDC PAYMENT LEVELS.—(l) Section
1902(c) of the Act is amended by inserting in
reference in section 1902(a)(5) to a State plan approved under part
A, title IV of the Act, a State may treat such reference as a reference to a State plan approved under part
A of title IV of such Act and is eligible for medical assistance under such plan only if the individual meets—
(A) the income and resource standards under such plan;
(B) any 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
the State plan under part such on May 1, 1996;
and
(B) use income and resource standards or
methodologies that are less restrictive than
those used for purposes of applying the
standards or methodologies used under the
State plan under such part as of July 1, 1995.
(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 assist-
ance under a State plan approved under part
A of title IV (as in effect as of July 1, 1996) and
is eligible for medical assistance under this
title (as in effect as of July 1, 1996). The
Secretary of
Social Security, in consultation with the
Committee on Ways and Means of the Senate and the Committee on
House Ways and Means of the House of Representa-
tives, shall submit to the Congress a legis-
lative proposal proposing such technical and conform-
ing amendments as are necessary to bring
the law into conformity with the policy em-
bodied in this title.
SEC. 115. APPLICATION OF CURRENT AFDC
STANDARDS UNDER MEDICAID PRO-
grams funded under part A of title IV of the Social Security Act: and
(7) by striking subsection (e) through (g)
and inserting and:
(e) AUTHORIZATION OF APPROPRIATIONS.—
For the purpose of conducting projects under
this section, there is authorized to be appro-
priated an amount not exceeding $25,000,000 for
any fiscal year for such purposes.
SEC. 116 SECRETARIAL SUBMISSION OF LEGIS-
LATIVE 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 Commis-
sioner of Social Security, in consultation
with the Committee on Ways and Means of the Senate and the Committee on
House Ways and Means of the House of
Representatives, shall submit to the Congress a legis-
lative proposal proposing such technical and conform-
ing amendments as are necessary to bring
the law into conformity with the policy em-
bodied in this title.
SEC. 117 APPLICATION OF CURRENT AFDC
STANDARDS UNDER MEDICAID PRO-
grams funded under part A of title IV of the Social Security Act: and
(7) by striking subsection (e) through (g)
and inserting and:
(e) AUTHORIZATION OF APPROPRIATIONS.—
For the purpose of conducting projects under
this section, there is authorized to be appro-
priated an amount not exceeding $25,000,000 for
any fiscal year for such purposes.
SEC. 118 SECRETARIAL SUBMISSION OF LEGIS-
LATIVE 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 Commis-
sioner of Social Security, in consultation
with the Committee on Ways and Means of the Senate and the Committee on
House Ways and Means of the House of
Representatives, shall submit to the Congress a legis-
lative proposal proposing such technical and conform-
ing amendments as are necessary to bring
the law into conformity with the policy em-
bodied in this title.
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, 1995.

(b) Transition Rules.—

(1) State option to accelerate effective date.—

(A) In general.—If, within 6 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 section 103 of this Act), the State may implement the provisions of this title under such plan by a State pursuant to subparagraph (A) of this paragraph: (B) the date the enactment of this Act shall not include any obligations under the Social Security Act (as in effect pursuant to the amendment made by such section 103).

(B) LIMITATIONS ON FEDERAL OBLIGATIONS.—(i) STATE AFDC PROGRAM.—The term 'State AFDC program' means the State program to which the amount of the reduction.

(2) 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 this subparagraph; minus

(i) the amount described in clause (i)(I) of section 403(a)(I) for fiscal year 1996 after the termination of the State AFDC program shall not exceed an amount equal to—

(ii) the State family assistance grant (as defined in section 403(a)(I)(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 that the date of the enactment of this Act shall not exceed an amount equal to—

(iii) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect pursuant to the amendment made by section 103 of this Act); minus

(iv) 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.

(i) Under Temporary Family Assistance Programs.—

(ii) Child Care Obligations Excluded in Determining Federal AID Obligations.—As used in this paragraph, the obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect before the effective date of this 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 1994 Deemed Acceptance of Grant Limitations and Formula.—The submission of a plan described in subparagraph (A) is deemed to constitute the State's acceptance of the grant reductions under subparagraph (B)(ii) (including the formula for computing the reduction).

D. Definitions.—As used in this paragraph:

(1) 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).

(2) State.—The term 'State' means the 50 States and the District of Columbia.

(3) Claims, Actions, and Proceedings.—The amendments made by this title shall not affect any powers, duties, functions, rights, claims, penalties, or obligations applicable to the Federal Government 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.

(ii) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect before the effective date of this Act) shall not exceed an amount equal to—

(iii) any obligations of the Federal Government to the State under part A of title IV of the Social Security Act (as in effect before the effective date of this Act) shall not exceed an amount equal to—

(iv) the location or apprehension of the recipient.

(v) violation of a condition of probation or parole imposed under Federal or State law.

(E) Exchange of Information with Law Enforcement Agencies.—Section 1902(e) (42 U.S.C. 1382e), as amended by subsection (a), is amended by inserting after paragraph (4) the following new paragraph:

"If a person shall not be considered an individual in order to receive assistance simultaneously from 2 or more States under programs that are funded under title IV, section 1902(e) of the Federal Aid to Families with Dependent Children Act of 1977, or benefits in 2 or more States under the supplemental security income program under this title."

SEC. 202. DENIAL OF SSI BENEFITS FOR FUGITIVES AND PAROLE VIOLATORS.

(a) In General.—Section 1618(e) (42 U.S.C. 1382e) is amended by inserting after paragraph (4) the following new paragraph:

"'A fugitive from justice, or an individual who has fled from a place of lawful security income program under this title.

(b) Denial of SSI Benefits in 2 or More States under the Supplemental Security Income.

The amendments made by this title shall not apply with respect to—

(b) denial of social security benefits in 2 or more States under the Supplemental Security Income program for purposes of this title.
of a periodic review for more than 12 months in any case in which such waiver has been granted unless exigent circumstances require such review within 1 year after such date of enactment; (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 the Commissioner shall schedule a review, the Commissioner shall schedule a review regarding the individual's continuing eligibility to receive benefits at any time the Commissioner determines that based on the evidence available, there is a significant possibility that the individual may cease to be entitled to such benefits.

SEC. 204. IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF BENEFITS TO PRISONERS.

(a) 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) the Commissioner shall enter into a contract with, or require the State or local institution referred to in subparagraph (A), under which—

(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 following the first month throughout which such inmate is in such institution and becomes ineligible for such benefit (or becomes entitled to 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 subsection (A), or an amount not to exceed $200 if the institution furnishes such information on a monthly basis, or an amount not to exceed $300 if the institution furnishes such information on a quarterly basis, or an amount not to exceed $600 if the institution furnishes such information on a semiannual basis, or an amount not to exceed $1200 if the institution furnishes such information on an annual basis, but within 90 days after such date.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to inmates referred to in paragraph (1) in clause (i) (by striking "pursuant" and all that follows through "pursuant") and in clause (ii) (by striking "offense punishable by imprisonment for more than 1 year" and inserting "a criminal offense punishable by imprisonment for more than 1 year") beginning more than 180 days after the date of enactment of this Act.

(c) 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 jails would furnish to the Commissioner such information regarding 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 under clause (A) to the Commissioner by means of an electronic or other sophisticated data exchange system.

(d) UNITED STATES CODE. the matter preceding clause (ii), by striking 'pursuant" and all that follows through "pursuant") and in clause (ii) (by striking "offense punishable by imprisonment for more than 1 year" and inserting "a criminal offense punishable by imprisonment for more than 1 year") beginning more than 180 days after the date of enactment of this Act.

(e) 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 regarding 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 courts, 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 under clause (A) to the Commissioner by means of an electronic or other sophisticated data exchange system.

(f) IMPLEMENTATION.—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 enactment of this Act.
(c) CONFORMING AMENDMENTS.—
(1) Section 1614(a) (42 U.S.C. 1383c(a)) is amended by striking "at the time the applic-
application is filed" and inserting "on the first day of the month following the date the ap-
application or request is filed".
(2) Section 1616(g)(3) (42 U.S.C. 1383c(g)(3)) is amended by inserting "following the month with the month.".

(d) EFFECTIVE DATE.—

(i) 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 en-
actment of this Act, without regard to whether regulations have been issued to im-
plement such amendments.

(ii) IN GENERAL.—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 1613(a) (42 U.S.C. 1383) is amended by adding at the end the follow-

new paragraph: (10)(A) If an individual is eligible for past-
due benefits under title XVI of the Social Security Act that are payable under section 207 of Public Law 93-66, the Commissioner of Social Security, upon determina-
tion that such individual is likely to remain ineligible for the next 12 months, or the period of not less than 12 months, ending on the first day of the month following the month that is designated by the Commissioner for the purpose of this subsection, may require such individual to repay to a State all or any part of the benefits that a State or political subdivision is obligated to pay such individual under the program of social security under part 404 of title 20, unless such individual is required to pay such amount under section 207 of Public Law 93-66 in accordance with subsection (B).

(b) Amount of Payment.—Such individual who, at the time of the Commis-
sioner's determination that such individual is eligible for the payment of past-due monthly benefits under this title—

(i) is afflicted with a medically deter-
mizable 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 sup-
plementary 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.—Section 1613(a)(1) (42 U.S.C. 1383a(a)(1)) is amended by inserting "(subject to paragraph (10))" im-
mediately after "in paragraph (6)".

(c) EFFECTIVE DATE.—

(i) 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, other than benefits payable under section 212(b) of Public Law 93-66, as the Commissioner determines to be necessary to implement such amendments.

(ii) IN GENERAL.—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 BENEFITS 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 paid to any person under the supplemental security income program authorized by title XVI, the Commiss-
ioner is unable to make proper adjustment or recovery of the amount so incorrectly paid, the Commiss-

ioner may require such person to repay to the Federal Government the entire amount of such incorrect payments.

(b) Recovery of Overpayments.—The Commissioner shall promptly notify the individual entitled to receive any such payment, and in the case of a beneficiary to whom such payment is to be made, shall notify the beneficiary's representative payee, of the incorrect payment and shall include with such notification a determination that the recovery of the payment would not unduly burden the beneficiary or his dependents.

(c) Forbidding Repayment.—The Commissioner is not required to recover incorrect payments if the Commissioner determines that it would be unduly burdensome to the beneficiary or his dependents.

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1634(b)(3) (42 U.S.C. 1382c(b)(3)) is amended by striking the final period of not less than 12 months.:

(b) APPLICATION TO CURRENT RECIPIENTS.—For the purpose of this subsection, the term "childhood disability" means a physical or mental impairment of com-
parable severity.

(c) EFFECTIVE DATE; REGULATIONS: APPLICATION TO CURRENT RECEIPIENTS.

(1) MODIFICATION TO MEDICAL CRITERIA FOR EVALUATION OF MENTAL AND EMOTIONAL DIS-
:

(2) DISCONTINUANCE OF INDIVIDUALIZED FUNCTIONAL ASSESSMENT.—The Commissioner shall discontinue the indi-

(3) EFFECTIVE DATE; REGULATIONS: APPLICATION TO CURRENT RECEIPIENTS.

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to appli-
cations 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) ELIGIBILITY DETERMINATIONS.—Not later than 12 months after the date of the enactment of this Act, the Commissioner of Social Security shall issue regulations as the Commissioner determines to be nec-
ecessary 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) ELIGIBILITY DETERMINATIONS.—Not later than 12 months after the date of the enactment of this Act, the Commissioner of Social Security shall determine 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—

Subtitle B—Benefits for Disabled Children

SEC. 212. DEFINITION AND ELIGIBILITY RULES.

(a) DEFINITION OF CHILDHOOD DISABILITY.—Section 1634(b)(3) (42 U.S.C. 1382c(b)(3)) is amended by striking the final period of not less than 12 months.:

(b) APPLICATION TO CURRENT RECIPIENTS.—For the purpose of this subsection, the term "childhood disability" means a physical or mental impairment of com-
parable severity.

(c) EFFECTIVE DATE; REGULATIONS: APPLICATION TO CURRENT RECEIPIENTS.

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall apply to appli-
cations 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) ELIGIBILITY DETERMINATIONS.—Not later than 12 months after the date of the enactment of this Act, the Commissioner of Social Security shall issue regulations as the Commissioner determines to be nec-
ecessary 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 RECEIPIENTS.—

(A) ELIGIBILITY DETERMINATIONS.—Not later than 12 months after the date of the enactment of this Act, the Commissioner of Social Security shall determine 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).
(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 substitute for a review 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 such Act.  

(b) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS.  

(1) In General.—Section 1611(e)(1)(B) (42 U.S.C. 1383(e)(1)(B)) is amended—  
(A) by striking “and”; and  
(B) 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).”  

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to payments made after the date of the enactment of this Act.  

(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:  

“(ii) by adding at the end the following new clause:  

“(iii) If an individual is eligible for benefits under this clause whose case is reviewed under this clause 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.”.  

(2) DISREGARD OF TRUST FUNDS.—Section 1613(a)(2) (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 subclause (I) and inserting “(iv)”; and  
(C) by inserting after paragraph (11) the following:  

“(IV) advice such person through the notice and written determination of eligibility for benefits under this title to an eligible individual who has an eligible spouse. an amount equal to 50 percent of the maximum monthly benefit payable under such title to an eligible individual which the Commissioner shall redetermine such eligibility—  

(III) in any case where payment is made to a representative payee of an individual or spouse, the Commissioner of Social Security shall—  

(1) require such representative payee to document expenditures and keep contemporaneous records of transactions made using such payment;  

(2) 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;  

(3) make allowance for the cost of such administrative expenses in determining the payment amount under such title to an eligible individual which the Commissioner shall—  

(a) the allocation for basic needs described in subparagraph (C)(i); and  
(b) the earned income disregarded in paragraph (3) of section 1611(e)(3)(B) (42 U.S.C. 1383(e)(3)(B)); and  

(2) by adding at the end the following:  

“(II) 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 such title to an eligible individual who does not have an eligible spouse; or  

(II) the case of an individual who has a spouse, and an amount equal to 50 percent of the maximum monthly benefit payable under such title to an eligible individual who has an eligible spouse;  

(3) EFFECTIVE DATE.—The amendments made by this subsection shall apply to payments made after the date of the enactment of this Act.  

(d) DEDICATED SAVINGS ACCOUNTS.—  

(1) IN GENERAL.—Section 1613(a)(2)(B) (42 U.S.C. 1382b(a)(2)) is amended by adding at the end the following:  

“(IV) advice such person through the notice and written determination of eligibility for benefits under this title to an eligible individual who has an eligible spouse. an amount equal to 50 percent of the maximum monthly benefit payable under such title to an eligible individual which the Commissioner shall—  

(A) by striking “and” at the end of paragraph (10),  
(B) by striking the period at the end of subclause (I) and inserting “(iv)”; and  
(C) by inserting after paragraph (11) the following:  

“(IV) advice such person through the notice and written determination of eligibility for benefits under this title to an eligible individual who has an eligible spouse. an amount equal to 50 percent of the maximum monthly benefit payable under such title to an eligible individual which the Commissioner shall—  

(a) the allocation for basic needs described in subparagraph (C)(i); and  
(b) the earned income disregarded in paragraph (3) of section 1611(e)(3)(B) (42 U.S.C. 1383(e)(3)(B)); and  

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to payments made after the date of the enactment of this Act.  

(e) MODIFICATIONS TO THE PROGRAM.—The amendments made by this section shall apply to payments made after the date of the enactment of this Act.  

(f) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS.  

(1) IN GENERAL.—Section 1611(e)(1)(B) (42 U.S.C. 1383(e)(1)(B)) is amended—  
(A) by striking “and”; and  
(B) 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).”  

(2) 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, with regard to such benefits issued to individuals whose cases were reviewed under this section.  

(g) MODIFICATION RESPECTING PARENTAL INCOME DEEMED ELIGIBLE CHILDREN.—  

(1) IN GENERAL.—Section 1614(f)(2) (42 U.S.C. 1382c(f)(2)) is amended—  
(A) by adding at the end of paragraph (A) the following:  

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to payments made after the date of the enactment of this Act.  

(h) MODIFICATION RESPECTING PARENTAL INCOME DEEMED ELIGIBLE CHILDREN.—  

(1) IN GENERAL.—Section 1614(f)(2) (42 U.S.C. 1382c(f)(2)) is amended—  
(A) by adding at the end of paragraph (A) the following:  

(2) EFFECTIVE DATE.—The amendment made by this subsection shall apply to payments made after the date of the enactment of this Act.  

(i) The earned income disregarded 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 remaining
from the earned income (determined in accordance with section 1612(a)(1)) of the parent and spouse, if any.

(i) PRESERVATION OF MEDICAID ELIGIBILITY—Section 1902(r)(1) of title XIX (42 U.S.C. 1396r) 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 application of any provision of the Personal Responsibility and Work Opportunity Act of 1996 shall be deemed to be receiving such payment for purposes of eligibility of the child for assistance under a State plan approved under title XIX of this Act."

(ii) In section 1611(b)(3) of title XIX (42 U.S.C. 1381(b)(3)), the term "child" means a child under 18 years of age and who would be eligible for a payment under this title but for the application of any provision of the Personal Responsibility and Work Opportunity Act of 1996.

(ii) EFFECTIVE DATE.—The amendments made by this section shall apply to months beginning after such date.

(iii) Such other issues as the applicable entity considers appropriate.

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity to submit an interim report and a final report regarding the implementation of this subsection, and shall issue regulations implementing any necessary changes following each report.

(2) REGULATIONS.—The Commissioner of Social Security shall prepare an inventory of Federal programs serving individuals with disabilities.

(3) The study shall be incorporated into the final report required by subsection (i).

(ii) Effectiveness and Other Program Operation Costs; and

(iii) Historical and Current Data on Characteristics of Recipients and Program Costs, through at least 25 years.

(a) IN GENERAL.—The Commissioner 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 judgments, habeas corpus 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 disabled children),

(4) projections of future number of recipients and program costs, for 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.

(1) In general.—Not later than January 1, 1998, the Commissioner shall develop and carry out a comprehensive study of all Federal, State, and local programs serving individuals with disabilities.

(2) National Commission. —There is established a commission to be known as the National Commission on the Future of Disability (hereinafter called the "Commission").

(3) Establishment. —There is established a commission to be known as the National Commission on the Future of Disability (hereinafter called the "Commission").

(4) Duties of the Commission. —The Commission shall be composed of persons who are not covered by other Federal, State, or local programs receiving benefits under such title that are not covered by other Federal, State, or local programs.

(i) In general.—The Commissioner shall request the applicable entity to submit an interim report and a final report regarding the implementation of this subsection, and shall issue regulations implementing any necessary changes following each report.

(ii) Effectiveness and Other Program Operation Costs; and

(iii) Historical and Current Data on Characteristics of Recipients and Program Costs, through at least 25 years.

(a) IN GENERAL.—The Commissioner 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 judgments, habeas corpus 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 disabled children),

(4) projections of future number of recipients and program costs, for 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.

(1) In general.—The Commissioner shall prepare and deliver a report annually to the President and the Congress regarding the program under this title, including—

(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 outcome limitations on the Listing of Impairments set forth in appendix I 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.

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity to submit an interim report and a final report regarding the implementation of this subsection, and shall issue regulations implementing any necessary changes following each report.

(2) REGULATIONS.—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—

(3) a historical summary of statutory changes to this title; and

(4) such other information as the applicable entity considers appropriate.

(1) REPORTS.—The Commissioner of Social Security shall request the applicable entity to submit an interim report and a final report regarding the implementation of this subsection, and shall issue regulations implementing any necessary changes following each report.

(2) REGULATIONS.—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—

(3) a historical summary of statutory changes to this title; and

(4) such other information as the applicable entity considers appropriate.
(2) what new Federal disability programs (if any) should be established; (3) the suitability of the organization and location of such 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.—
(i) 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 Speaker of the House of Representatives; and
(D) two shall be appointed by the Minority Leader of the House of Representatives.

(b) REPRESENTATION.—The Commission members shall be selected on the basis of the diversity of individuals with disabilities in the United States.

(c) TERM OF APPOINTMENT.—The members of the Commission shall serve terms of 5 years.

(d) DELEGATION OF AUTHORITY.—Any member or agent of the Commission, if authorized by the Commission, may, if authorized by law, take any action that the Commission is authorized to take by this subtitle.

(e) QUORUM.—Ten members of the Commission shall constitute a quorum, but a lesser number may hold hearings.

(f) CHAIRPERSON.—The Commission shall have a Chairperson, who shall be designated by the President and to the Congress. The interim report under subsection (a) shall be submitted to the Congress.

SEC. 244. STAFF AND SUPPORT SERVICES.
(a) DIRECTOR.—
(i) APPOINTMENT.—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(b) 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 at rates of pay prescribed by law, notwithstanding any other provision of law.

(d) EXAMINERS AND CONSULTANTS.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(e) PRINTING AND PUBLICATION.—Upon receipt of each report of the Commission under this section, the President shall—
(i) cause the report to be printed; and
(ii) make the report available to the public upon request.

SEC. 245. POWERS OF COMMISSION.
(a) HEARINGS.—The Commission may conduct public hearings or forums at the discretion of the Chairperson, 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) OTHER RESOURCES.—The Chairperson of the Commission shall have reasonable access to materials, records, and information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The facilities of the Commission shall make requests for such access in writing when necessary.

(c) PHYSICAL FACILITIES.—The Administrator of the General Services Administration shall provide services relating to the operation of the Commission. The facilities of the Commission shall make requests for such access in writing when necessary.

(d) OTHER RESOURCES.—The Commission shall have reasonable access to materials, records, and information from the Library of Congress and agencies and elected representatives of the executive and legislative branches of the Federal Government. The facilities of the Commission shall make requests for such access in writing when necessary.

(e) INFORMATION.—The Commission may secure directly from any Federal agency information necessary to enable the Commission to carry out the duties of the Commission under this subtitle.

(f) GIFTS, BEQUESTS, AND DEVISES.—The Commission may accept, use, and dispose of gifts, bequests, or devises by reason of their service on the Commission.

(g) CONCLUSION.—The Commission may make reports, recommendations, and decisions as the Commission considers advisable.

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 1 year after the date on which the members of the Commission have met and designated a Chairperson and Vice Chairperson, the Commission shall submit to the Congress a final report containing—
(i) a detailed statement of final findings, conclusions, and recommendations; and
(ii) an assessment of the extent to which recommendations of the Commission included in the interim report under subsection (a) have been necessitated by the provisions of chapter 51 and subchapter III of chapter 53 of title 5 such title relating to classification and General Schedule pay rates.

(c) DISTRIBUTION OF PAYMENTS.
(1) APPOINTMENT—Upon consultation with the members of the Commission, the Chairperson shall appoint a Director of the Commission.

(d) COMPENSATION.—The Director shall be paid the rate of basic pay for level V of the Executive Schedule.

(e) 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 at rates of pay prescribed by law, notwithstanding any other provision of law.

(f) EXAMINERS AND CONSULTANTS.—With the approval of the Commission, the Director may appoint such personnel as the Director considers appropriate.

(g) PRINTING AND PUBLICATION.—Upon receipt of each report of the Commission under this section, the President shall—
(i) cause the report to be printed; and
(ii) 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.
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 paragraph in which the subparagraph is inserted by subparagraph (B) of this paragraph; and

(ii) by striking the last comma and inserting a semicolon; and

(E) in subparagraph (E), by indenting each of paragraphs (2) and (3) 2 additional ems.

(b) Continuation of Services for Families Ceasing to Receive Assistance Under the State Program Funded Under Part A—In the case of a family under part A—

(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 extent that the services are, in the case of the other individuals to whom services are furnished under the plan, except that an application or other request to continue such services shall not be required of such a family and paragraph (8)(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(i)" and inserting "454(i)".

(2) Section 452(g)(2)(A) (42 U.S.C. 652(g)(2)(A)) is amended by striking "454(4)" each place it appears and inserting "454(4)(A)"

(i).";

(3) Section 456(a)(3)(D) (42 U.S.C. 666(a)(3)(D)) 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 456(e) (42 U.S.C. 666(e)) is amended by striking "paragraph (6) of section 454(a)" and inserting "section 454(6)".

(d) 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 in accordance with the plan under which 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.—

(1) Pre-October 1997.—The provisions of this section (other than subsection (b)(1)(ii)) as in effect and applied on the day before the date of enactment of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

(a) accrued after the family ceased to receive assistance and

(bb) are collected before October 1, 1997.

(2) Post-September 1997.—With respect to the amount so collected on or after October 1, 1997, 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 (ii)) 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)(a) with respect to the amount so collected, the State shall retain the Federal 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, and to the extent that the amount retained is necessary to reimburse amounts paid to the family as assistance by the State.

(cc) distribution of the remainder to the family.—After the application of division (aa) or division (bb) applies to the amount so collected, the State shall distribute the amount to the family.

(dd) distribution of arrearages that accrued before the family received assistance.—

(1) pre-October 2000.—The provisions of this section (other than subsection (b)(1)(ii)) as in effect and applied on the date of enactment of section 302 of the Bipartisan Welfare Reform Act of 1996 shall apply with respect to the distribution of support arrearages that—

(a) accrued before the family received assistance and

(bb) are collected before October 1, 2000.

(2) post-2000.—(A) current support payments.—The amount so collected, less the amount 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, 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 satisfy support arrearages 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 (ii)(II)(a) and division (aa) with respect to the amount so collected, the State shall retain the Federal share (as defined in subsection (c)(2)(A)) 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, and to the extent that the amount retained is necessary to reimburse 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 with respect to the distribution of the remainder to the family, the State shall distribute the amount to the family.

(dd) distribution of arrearages that accrued before 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 the remainder to the family.

(3) 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 retained by the State, the State shall distribute the excess to the family.

(2) ORDERING RULES FOR DISTRIBUTION.—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.

(d) study and report.—Not later than October 1, 1997, the Secretary shall report to the Congress the Secretary's findings with respect to—

(A) whether the distribution of post-support arrearages that has been effective in moving people off of welfare and keeping them off of welfare;

(B) whether early implementation of a pre-support 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 implementation of 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;

(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;

(2) 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 due to the State on or before the date of the enactment of the Bipartisan Welfare Reform Act of 1996, 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); or

(B) the Federal medical assistance percentage (as defined in section 1905(b)(3)) in the case of any other State.
(4) STATE SHARE.—The term 'State share' means 100 percent minus the Federal share.

(b) CONFORMING AMENDMENTS.—(1) Section 454(a)(1) (42 U.S.C. 654(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) paragraphs (1) through (4) by striking "(11)" and inserting "(11)(A)"; and

(B) by redesignating paragraph (12) as sub-paragraph (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 be conforming 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—

(I) by striking "and" at the end of paragraph (24);

(II) by striking the period at the end of paragraph (25) and inserting "; and"

and

(III) 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:

"(B) 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 in the State case registry with respect to—

category will be entered; and

"(D) any information necessary to protect the privacy rights of the parties, in-

and

(27) provide that, on and after October 1, 1998, the State share for the fiscal year shall be an amount equal to—

(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 301(b)(2) of this Act, is amended in paragraph (2) by striking "or before the State share in fiscal year 1995" and inserting "or modifying a child support obligation. or which support obligations might be established or modified; or"

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. 456A. DISSEMINATION OF INFORMATION

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) CAREFUL AUTOMATED SYSTEM.—Section 454 contains rules necessary to enable the State agency operating the automated system required by section 454 to maintain, and regularly monitor, the accuracy and completeness of child support services and the State plan approved under this part.

(2) OPERATION—The State disbursement unit, in cooperation with the State agencies, shall be operated—

(A) by the State plan approved under this section, the State plan approved under part B, and

(B) under the State plan approved 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 title IV-D of the Social Security Act (relating to State plan approved under this part).

(c) EFFECTIVE DATE.—The amendment made by this section shall be effective on October 1, 1997.

(2) LINKING OF LOCAL REGISTRIES.—The State agency operating the automated system required by section 454(b)(4) shall be required to link local case registries with respect to—

(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 identification numbers), and contain such other information (such as on-case status) as the Secretary may require.

(4) PAYMENT RECORDS.—Each record in the State case registry with respect to such services are being provided under the State plan approved under this part, on the basis of—

(A) the amount of monthly (or other periodic) support owed under the order, and

(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 section 454(b)(4) shall be required to update the information recorded in the State case registry with respect to the order pursuant to section 466(a)(4).

(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) and inserting "; and"

and

(2) 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:

"(B) prohibitions against the release of information to another party against whom a protective order with respect to the former party has been entered; and

"(D) any information necessary to protect the privacy rights of the parties, in-

and

(27) provide that, on and after October 1, 1998, the State share for the fiscal year shall be an amount equal to—

(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 301(b)(2) of this Act, is amended in paragraph (2) by striking "or before the State share in fiscal year 1995" and inserting "or modifying a child support obligation. or which support obligations might be established or modified; or"

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. 456A. DISSEMINATION OF INFORMATION

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) CAREFUL AUTOMATED SYSTEM.—Section 454 contains rules necessary to enable the State agency operating the automated system required by this section to maintain, and regularly monitor, the accuracy and completeness of child support services and the State plan approved under this part, on the basis of—

(A) the amount of monthly (or other periodic) support owed under the order, and

(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 section 454(b)(4) shall be required to update the information recorded in the State case registry with respect to the order pursuant to section 466(a)(4).

(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) and inserting "; and"

and

(2) 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:

"(B) prohibitions against the release of information to another party against whom a protective order with respect to the former party has been entered; and

"(D) any information necessary to protect the privacy rights of the parties, in-

and

(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 automated system enforced by the State pursuant to section 454 (including carrying out the automated data processing responsibilities described in section 466(a)(4)) 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—

(a) IN GENERAL.—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—

(1) INITIAL PETITION FOR MODIFICATION. —

(2) OPERATION.—The State disbursement unit shall be operated—

(2) OPERATION.—The State disbursement unit shall be operated—

(3) TEMPORARY FAMILY ASSISTANCE AND MEDICAID AGENCIES.—

(4) INTRASTATE AND INTERSTATE INFORMATION COMPARISONS.—

(5) UPDATING AND MONITORING.—The State agency operating the automated system required by section 454(b)(4) shall be required to update the information recorded in the State case registry with respect to the order pursuant to section 466(a)(4).
"(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);

"(B) except in cases described in paragraph (1)(B), in coordination with the automated system established by the State pursuant to subsection (a).

"3. linking of local disbursement units. The State disbursement unit may be established by linking local disbursement units, 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, employees shall be assigned to locations 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) to employers 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 ensure notification to the employer, 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.«—The State disbursement unit may delay the distribution of collected support payments 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.

"e. 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 paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"f. TIMING OF DISBURSEMENTS.«—The State disbursement unit may delay the distribution of collected support payments until the resolution of any timely appeal with respect to such arrearages.

"g. 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 of the following new paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"h. TIMING OF DISBURSEMENTS.«—The State disbursement unit may delay the distribution of collected support payments until the resolution of any timely appeal with respect to such arrearages.

"i. 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 of the following new paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"j. TIMING OF DISBURSEMENTS.«—The State disbursement unit may delay the distribution of collected support payments until the resolution of any timely appeal with respect to such arrearages.

"k. 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 of the following new paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"l. TIMING OF DISBURSEMENTS.«—The State disbursement unit may delay the distribution of collected support payments until the resolution of any timely appeal with respect to such arrearages.

"m. 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 of the following new paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"n. TIMING OF DISBURSEMENTS.«—The State disbursement unit may delay the distribution of collected support payments until the resolution of any timely appeal with respect to such arrearages.

"o. 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 of the following new paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"p. TIMING OF DISBURSEMENTS.«—The State disbursement unit may delay the distribution of collected support payments until the resolution of any timely appeal with respect to such arrearages.

"q. 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 of the following new paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.

"r. TIMING OF DISBURSEMENTS.«—The State disbursement unit may delay the distribution of collected support payments until the resolution of any timely appeal with respect to such arrearages.

"s. 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 of the following new paragraph:

"(3) to ensure prompt disbursement of the custodial parent’s share of any payment, and

"(4) to ensure notification to the employer, upon request, timely information on the current status of support payments under an order requiring payments to be made by or to the parent.
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 666(b)(3).

(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—
   (A) Section 666(b)(4) (42 U.S.C. 666(b)(4)) is amended to read as follows:
   "(4) Such withholding may be carried out in full compliance with all procedural due process requirements of the State, and the State shall furnish the information to the National Directory of New Hires.
   (B) WAGE AND UNEMPLOYMENT COMPENSATION.—Section 1137(b) of 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)(b) 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 any 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 paragraph shall, if the head of such agency has determined that it is necessary to enforce child support obligations, (A) procedures described in subsections (b)(2) and (b)(3) to the extent that such individuals for purposes of establishing and enforcing child support obligations;
   (B) VERIFICATION OF ELIGIBILITY FOR CERTAIN PROGRAMS.—A State agency responsible for determining eligibility for any program under title IV-D of such act shall have access to information reported by employers pursuant to subsection (b) of this section for purposes of verifying eligibility for such benefits.
   (C) 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) of this section for purposes of administering such programs.

(2) QUARTERLY WAGE REPORTING.—Section 1137(b)(1) (42 U.S.C. 13207(b)(1)) is amended—
   (i) by inserting "and local governmental entities and labor organizations which are each 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 employees or complicate an ongoing investigation or intelligence mission after paragraph (2)" after "employers"; and
   (ii) 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 determined that filing such a report could endanger the safety of employees or complicate an ongoing investigation or intelligence mission" after paragraph (2).

SEC. 314. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—
   (1) IN GENERAL.—Section 666(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:
   "(1) Procedures described in paragraph (b) for the withholding of income from amounts payable as support in cases subject to enforcement under the State plan.
   (B) Procedures under which the wages of a noncustodial parent subject to withholding are paid by a support order issued (or modified) in the State before October 1, 1996, if not otherwise subject to withholding under subsection (b), shall apply to withholding as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing;"
amended by inserting “Federal” before “Parent” each place such term appears.

(2) Section 433 (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 thereof the following new subsections:

"(b) 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 part A 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(k), by State agencies administering such programs.

(2) CASE INFORMATION.—The information referred to in paragraph (1) with respect to a case shall be such information as the Secretary determines to be necessary for verification in accordance with the earned income tax credit under section 32 of the Internal Revenue Code of 1986, or the advance payment of the earned income tax credit under section 45D of such Code, and verifying a claim with respect to employment in a tax return.

"(c) DISCLOSURES.—

(1) INFORMATION COMPARISONS.—For the purpose of locating individuals in a paternity establishment, multistate employers that report information in the Federal Parent Locator Service against information in the State directory, the Federal Parent Locator Service shall provide disclosures to authorized persons, and restrict use of such information to authorized purposes.

(2) 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 information in the National Directory of New Hires with 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) where such data allow such a comparison reveals a match or to an individual, report the information to the State agency responsible for the case.

(3) INFORMATION COMPARISONS AND DISCLOSURES OF INFORMATION IN THE NATIONAL DIRECTORY OF NEW HIRES.—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 information in each component of the Federal Parent Locator Service maintained pursuant to the heading by adding

"(g) the heading by adding

"(h) of section 303 (42 U.S.C. 503) is amended to read as follows:

"(i) The name, social security number, and birth date of each such individual.

"(ii) The employer identification number of each such employer.

"(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—For the purpose of employment in a tax return, the Federal Parent Locator Service shall:

(1) RESTRICTION

(2) (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 (i).

(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 pursuant to this section, at rates which the Secretary determines to be reasonable (which 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, and maintaining, and comparing the information).

(4) 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; and

(3) the costs of obtaining, compiling, or maintaining such information.

(2) To FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subparagraph:

"(a) FEDERAL GOVERNMENT REPORTING.—

(1) To PART D OF TITLE IV OF THE SOCIAL SECURITY ACT.—

(2) To STATE REPORTING.—

(3) The Federal Parent Locator Service established under section 453:

(A) disclose quarterly, to the Secretary of Health and Human Services, 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.

(3) To STATE CRANT 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—

(2) by redesignating subparagraph (B) as subparagraph (C) and

(3) by inserting after subparagraph (A) the following new subparagraph:

(2) (B) wage and unemployment compensation information contented 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.

(3) To FEDERAL UNEMPLOYMENT TAX ACT.—Section 3304(a)(16) of the Internal Revenue Code of 1986 is amended by adding at the end thereof the following new subparagraph:

(3) (B) wage and unemployment compensation information contented 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.
as the Secretary of Health and Human Services, with the concurrence of the Secretary of Labor, may find necessary; and

SEC. 321. CONFORMING RULES OF STATE WHERE EMPLOYEE WORKS.—

(a) In general.—The State law enacted pursuant to paragraph (a) of section 3403(d) of such Code, as redesignated by subsection (b), is amended by striking therein the word "2" and by inserting therein the word "1".

(b) CONFORMING AMENDMENTS.—Section 3403(d)(2)(A) of such Code, as amended by section 3403(d)(2)(A) of such Code, as amended by section 321(a) of the Social Security Amendments and Program Improvements Act of 1994, is amended as follows:

(i) by striking "(2)" and inserting "(1)";

(ii) in paragraph (2), by striking "g" and inserting "f"; and

(iii) by striking paragraph (3) and inserting the following new paragraph (3):

"(3) In determining whether a child support order issued by a court of a State is made in accordance with the law of the State, the court shall determine whether the order was issued in accordance with a procedure that is substantially similar to that of the State that issued the order.

SEC. 322. INCOME WITHHOLDING PROCEEDINGS.—

(a) DEFINITIONS.—In this section—

"(A) the term "income withholding proceeding" means a proceeding by or on behalf of a State, or an authorized agent of a State, to enforce a child support order issued by a court of a State.

"(B) the term "authorized agent of a State" means a person or entity designated by the Governor of a State to administer, or to cooperate with another person or entity to administer, a law or program of the State relating to the enforcement of a child support order.

SEC. 323. IMPROVEMENTS TO FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.—

(a) In general.—The amendment made by section 372 of the Social Security Amendments and Program Improvements Act of 1994 to section 3105(c) of title 26 is amended—

(i) in paragraph (1), by striking "the Secretary of the Treasury" and inserting "the Secretary of Health and Human Services";

(ii) in paragraph (2), by striking "of the Secretary of the Treasury" and inserting "of the Secretary of Health and Human Services";

(iii) in paragraph (3), by striking "the Secretary of the Treasury" and inserting "the Secretary of Health and Human Services";

(iv) in paragraph (4), by striking "the Secretary of the Treasury" and inserting "the Secretary of Health and Human Services"; and

(v) in paragraph (5), by striking the word "Secretary" and inserting the word "Secretary of Health and Human Services".

(b) Treatment of income withholding orders.—The amendments made by section 372 of the Social Security Amendments and Program Improvements Act of 1994 to sections 3105(d) and 3105(f) of title 26 are amended—

(i) in section 3105(d), by striking paragraph (3) and inserting the following new paragraph (3):

"(3) In determining whether a child support order issued by a court of a State is made in accordance with the law of the State, the court shall determine whether the order was issued in accordance with a procedure that is substantially similar to that of the State that issued the order.

(ii) in section 3105(f), by striking paragraph (3) and inserting the following new paragraph (3):

"(3) In determining whether a child support order issued by a court of a State is made in accordance with the law of the State, the court shall determine whether the order was issued in accordance with a procedure that is substantially similar to that of the State that issued the order.

SEC. 324. ELECTRONIC DELIVERY OF CHILD SUPPORT ORDERS.—

(a) In general.—In order to carry out section 3105(e) of title 26, the Secretary of Health and Human Services shall establish and carry out a program to facilitate the electronic delivery of child support orders to the Secretary of the Treasury.

(b) Authorization.—The Secretary shall, in consultation with the States and other interested parties, establish procedures for the electronic delivery of child support orders to the Secretary of the Treasury.

SEC. 325. RECORDS.—

(a) In general.—The Secretary shall—

(i) require the States to establish and maintain a system for the collection and dissemination of information relating to the enforcement of child support orders issued by courts of States;

(ii) in the case of a child support order issued by a court of a State, require the State to provide the following information—

(A) the name, address, and social security number of the obligor;

(B) the name, address, and social security number of the obligee;

(C) the address of the court that issued the order; and

(D) any other information as determined by the Secretary;

(iii) require the States to make the information provided under clause (i) available to the Secretary of Health and Human Services; and

(iv) in the case of a child support order issued by a court of a State, require the State to provide the following information—

(A) the name, address, and social security number of the obligor;

(B) the name, address, and social security number of the obligee;

(C) the address of the court that issued the order; and

(D) any other information as determined by the Secretary;

(b) Use of information.—The Secretary shall—

(i) use the information provided under paragraph (a)(i) to carry out the child support program established by this title;

(ii) in the case of a child support order issued by a court of a State, use the information provided under paragraph (a)(i) to establish a system for the electronic delivery of child support orders to the Secretary of the Treasury; and

(iii) in the case of a child support order issued by a court of a State, use the information provided under paragraph (a)(i) to establish a system for the electronic delivery of child support orders to the Secretary of the Treasury.
support orders for the same obligor and comma; and continuing, exclusive jurisdiction under this section of 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. 

(i1) in subsection (g) (as so redesignated—
(A) by striking “PRIOR” and inserting “MODIFIED”; and 
(B) by striking subsection “(e)” and inserting “(e)”; and
(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 concluding sentence:
(B) in paragraph (3), by inserting “arrears under” after “enforce”; and
(13) by adding at the end the following new subsection:

(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:

“(5) The Court that has issued an order recognizing, in accordance with the procedures specified in subsection (c), for establishing paternity and for the purpose of modification, for the purpose of establishing the amount of support under the order, and for the purpose of securing overdue support, to order genetic testing to establish paternity and to order genetic testing to determine the amount of support due and owing or is due and owing to the obligor held in financial institutions:
(A) LOCATOR INFORMATION; PRESUMPTIONS (42 U.S.C. 662(a)(4)) for income withholding, imposition of liens, and cable television companies; and
(B) imposition of liens; and
(iii) attaching public and private retirement funds; and
(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to secure the obligor to support the same obligor and
(II) 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) calculating child support through income withholding;
(B) imposition of liens; and
(C) administrative subpoena.

(L) in subsection 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); 
(3) by adding at the end the following new subparagraph:

(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) calculating child support through income withholding;
(B) imposition of liens; and
(C) administrative subpoena.

(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to which an order 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 (i) (as so redesignated—

(2) by inserting “and” at the end of subparagraph (C)

(3) by adding at the end the following new subparagraph:

(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) calculating child support through income withholding;
(B) imposition of liens; and
(C) administrative subpoena.

(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to which an order 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 (i) (as so redesignated—

(3) by adding at the end the following new subparagraph:

(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) calculating child support through income withholding;
(B) imposition of liens; and
(C) administrative subpoena.
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 court or agencies.

(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 exercise statewide jurisdiction over the parties; and

(ii) in a State in which orders are issued by courts or administrative tribunals, a case may not be transferred pursuant to jurisdictional provisions 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.

(C) COORDINATION WITH ERSI.—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 (ii) of this subsection, or except to the extent that such procedure would be consistent with the requirements of section 206(d)(3) of such Act (relating to specific 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) of this Act, is amended by adding at the end the following new subsection:

(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required by this subsection shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 486(c).

Subtitle D—Paternity Establishment SEC. 331. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT

(a) STATE LAWS REQUIRED.—Section 486(a)(5) (42 U.S.C. 656(a)(5)) is amended to read as follows:

"(a) 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.

"(b) SERVICES OFFERED BY OTHER ENTITIES.—The Secretary shall prescribe regulations specifying the types of other entities that shall 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 utilized, by the same person, 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.

"(c) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Procedures relating to the voluntary acknowledgment of paternity including the use of an affidavit or other proof of the paternity of a child shall be consistent with the requirements of section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in accordance with such requirements, as well as to any other affidavit or proof of the paternity of a child.

"(D) MISCELLANEOUS.—Procedures relating to the voluntary acknowledgment of paternity 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 unconsented voluntary acknowledgment of paternity shall be consistent with the requirements of section 609(a) of such Act (relating to qualified medical child support orders) and in writing, of the alternatives to the legal consequences of, and the rights (including, if I parent is a minor, any rights affecting the interests of, or the responsibilities that arise from, signing the acknowledgment.

"(F) PROOF OF CERTAIN SUPPORT AND PATERNITY.—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 to the rights (including, if I parent is a minor, any rights affecting the interests of, or the responsibilities that arise from, signing the acknowledgment.

"(G) REMEDIES FOR NONCOMPLIANCE.—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 signed voluntary acknowledgment of paternity was considered a legal finding of paternity and the legal consequences of, and the rights (including, if I parent is a minor, any rights affecting the interests of, or the responsibilities that arise from, signing the acknowledgment may not be suspended during the challenge, except for good cause shown.

"(H) DEFAULT ORDERS.—Procedures requiring a default order to be entered in a paternity case upon a showing of service of process in any case after which the defendant has received written notice of the establishment of paternity, and in any case after which the defendant has received written notice of the establishment of paternity, and in any case after which the defendant has received written notice of the establishment of paternity, and in any case after which the defendant has received written notice of the establishment of paternity.

"(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 shall be issued, upon the request of either party, requiring the provision of child support pending an administrative or judicial determination of paternity, if there is clear and convincing evidence of the paternity of the child, unless otherwise barred by State law.

"(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which the bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima
facile evidence of amounts incurred for such services or for testing on behalf of the child.

'(L) STANDING OF PUTATIVE FATHERS.—Pro-

provisions shall apply that the putative father has a reasonable opportunity to initiate a paternity action.

'(M) FILING OF ACKNOWLEDGMENTS AND AD-

judications in State registry of birth records.

—Procedures under which voluntary acknowledgments and adjudications of paternity by judicial or administrative proces-

ses are filed with the State registry of birth records for comparison with information in the State registry.

'(b) NATIONAL PATERNITY ACKNOWLEDGMENT

AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting "and", and del-

deleting "or" where inserted. 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 semi-

colons.

'(c) CONFORMING AMENDMENT.—Section 468

(42 U.S.C. 668) is amended by striking "a sim-

ple" and inserting "a voluntary acknowledg-

ing paternity and".

SEC. 332. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.

Section 454(23) (42 U.S.C. 654(23)) is amended by striking paragraph (3) and inserting the following:

"(3) provide that the State agency coordi-

nates with the State agency administering the State programs and, subject to such good cause exceptions, takes appropriate action to obtain a voluntary acknowledgment of paternity which includes the social security number of each parent and, after consultation with the States, other common elements as determined by such designee before the semi-
colons.

SEC. 333. CONFORMING AMENDMENTS FOR AND RECIPIENTS OF TEMPORARY FAMILY ASSISTANCE.

Section 454 (42 U.S.C. 654), as amended by sections 312(b), 313(b), and 313(a) of this Act is amended—

'(1) by striking "and" at the end of para-

graph (2);

'(2) by striking the period at the end of paragraph (28) and inserting "; and"; and

'(3) by inserting after paragraph (28) the fol-

lowing new paragraph:

"(29) provide that the State agency responsi-

ble for administering the State programs shall make the determination (and re-
determination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State pro-

grams under part D of title X of the Social Security Act shall develop a new incentive system to replace, in a revenue neutral man-

ner, the noncustodial parent program 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 to the Congress on the new system to the Committee on Ways and Means of the House of Representa-

tives 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 (b), 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 of this title";

'(2) in subsection (b)(1)(A) by striking "section 402(a)(26)" and inserting "section 408(a)";

'(3) in subsections (b) and (c) by striking "AFDC" and inserting "non-Title IV-A AFDC";

'(4) by striking "combined AFDC/AFDC administrative costs" each place it appears and inserting "combined Title IV-Annon-Title IV-A administrative costs".

"(c) CALCULATION OF IV-D PATERNITY ES-

TABLISHMENT PERCENTAGE.—

'(1) Section 457(g)(1)(A) (42 U.S.C. 657(g)(1)(A)) is amended by striking "75" and inserting "90".

'(2) Section 457(g)(1)(1) (42 U.S.C. 657(g)(1)(1)) is amended by redesignating subparagraphs (B) through (E) as subparagraphs (C) through (F), respectively, and by inserting after subparagraph (A) the following new subpara-

graph:

"(B) for a State with a paternity establish-

ment percentage of not less than 75 percent but less than 90 percent for such fiscal year, the paternity establishment percentage for 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 pre-

ceeding clause (i) by—

'(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: "the 90 percent pat-

ternity establishment requirement, a State shall determine the proportion of cases in the program funded under the paternity establish-

ment 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 by—

'(A) by striking paragraph (A) and redesign-

ing subparagraphs (B) and (C) as sub-

paragraphs (A) and (B), respectively;

'(B) in subparagraph (A) (as so redesign-

ated) by striking "the percentage of chil-

dren born out-of-wedlock in a State" and in-

serting "the percentage of children in a

State who are born out-of-wedlock for whom support has not been established"; and

'(C) in subparagraph (B) (as so redesignated) by inserting "(and securing support) before the period; and

"(d) EFFECTIVE DATES.—

'(1) INCENTIVE ADJUSTMENTS.—(A) IN GENERAL.—The system developed under subsection (a) shall become effective for purposes of incentive payments to States for fiscal years before fiscal year 1995.

'(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act 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 1995.

"(2) PENALTY REDUCTIONS.—The amend-

ments made by subsection (c) shall become effective with respect to calendar quarters beginning on or after the date of the enactment of this section.

SEC. 342. FEDERAL AND STATE REVIEWS AND AUDITS.

(a) STATE AGENCY ACTIVITIES.—Section 454 (42 U.S.C. 654) is amended—

'(1) by redesignating subparagraphs (A) through (H) as subparagraphs (A) through (O) respectively.

'(2) by redesignating paragraph (15) as sub-

paragraph (B) of paragraph (14); and

'(3) by inserting after paragraph (14) the fol-

lowing new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and re-

ports to the Secretary on the State program operating guidelines and procedures used under this part, including such information as may be necessary to measure State compliance with Federal requirements for expedited procedures, such as 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 auto-

mated data processing system required by paragraph (16) and transmitting to the Sec-

retary data and calculations concerning the level of achievement (and rates of improvement, where applicable) of 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 trans-

mitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indica-

tors for purposes of subsection (g) of this sec-

tion 458;

"(B) review annual reports submitted pur-

suant to section 454(15)(A) and, as appro-

priate, provide to the State comments, rec-

ommendations, or take appropriate corrective actions, and technical assistance; and

"(C) conduct audits in accordance with the provisions implementing 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 con-

cerning performance standards and reliabil-

ity of program data) to assess the complete-

ness, reliability, and security of the data.

"(ii) make such other reviews as the Sec-

retary determines to be necessary.

"(d) EFFECTIVE DATES.—

'(1) INCREASED FUNDING.—(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 subsection (B).

'(B) APPLICATION OF SECTION 458.—Section 458 of the Social Security Act 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 1995.
TORS—In order to enable the Secretary to perform such functions as the Secretary may find necessary:

(a) for each State under this part, in the manner required by or under this part.

(b) to make the information described in paragraph (1)(A) of the Social Security Act not later than 2 years after the date of the enactment of this Act.

(c) by adding after section 454(a)(1) the following new subsection:

(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.

(d) that specifies a formula for allocating the amount referred to in subparagraph (B) to the States.

(e) by striking "(3)" and inserting "(4)".

(f) by adding a semicolon.

(g) by inserting a semicolon.

(h) by striking "the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to subparagraph (B)

(i) by adding after section 455(a)(3)(B) of such Act the following new subsection:

(3) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated such sums as may be necessary for the expenses of the operation and administration of the program authorized by this Act, not to exceed the limitations determined for the State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001.

SEC. 345. TECHNICAL ASSISTANCE.

(42 U.S.C. 663) is amended by adding after section 455(a)(3) the following new subsection:

(3) provide 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 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.

SEC. 346. TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.

(42 U.S.C. 663) is amended by adding after section 455(a)(3) the following new subsection:

(3) provide 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 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.

SEC. 347. CONFORMING AMENDMENT.

(42 U.S.C. 663) is amended by adding after section 455(a)(3) the following new subsection:

(3) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated such sums as may be necessary for the expenses of the operation and administration of the program authorized by this Act, not to exceed the limitations determined for the State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001.

SEC. 348. TECHNICAL ASSISTANCE.

(42 U.S.C. 663) is amended by adding after section 455(a)(3) the following new subsection:

(3) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated such sums as may be necessary for the expenses of the operation and administration of the program authorized by this Act, not to exceed the limitations determined for the State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001.

SEC. 349. TECHNICAL ASSISTANCE.

(42 U.S.C. 663) is amended by adding after section 455(a)(3) the following new subsection:

(3) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated such sums as may be necessary for the expenses of the operation and administration of the program authorized by this Act, not to exceed the limitations determined for the State under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001.
The amount appropriated under this subsection shall remain available until expended.

(2) 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 recovery of costs incurred as a result of services furnished under State programs funded under part A or part B of title IV-D or part E of title IV of the Social Security Act.

(3) THE SECRETARY.—The Secretary shall, within 180 days after the end of each fiscal year, and distributed as follows:

(1) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under part A of title IV-D or part B of title IV-D of the Social Security Act;

(ii) the cost to the States and to the Federal Government of furnishing the services;

(iii) the number of cases involving families—

(1) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year and with respect to whom a child support payment was received in the month;

(ii) that became ineligible for assistance under State programs funded under part A during a fiscal year and with respect to whom a child support payment was received in the fiscal year;

(iii) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under part A of title IV-D or part B of title IV-D of the Social Security Act.

SEC. 345. ANNUAL REPORT TO CONGRESS.—

(a) RECOVERY OF COSTS.—The Secretary shall, within 180 days after the end of each fiscal year and distributed as follows:

(i) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under part A of title IV-D or part B of title IV-D of the Social Security Act;

(ii) the cost to the States and to the Federal Government of furnishing the services;

(iii) the number of cases involving families—

(1) who became ineligible for assistance under State programs funded under part A during a month in the fiscal year and with respect to whom a child support payment was received in the month;

(ii) that became ineligible for assistance under State programs funded under part A during a fiscal year and with respect to whom a child support payment was received in the fiscal year;

(iii) the total amount of child support payments collected as a result of services furnished during the fiscal year to individuals receiving services under part A of title IV-D or part B of title IV-D of the Social Security Act.

(b) ANNUAL REPORT TO CONGRESS.—

(1) REPORT.—The Secretary shall, within 180 days after the end of each fiscal year, prepare an annual report which covers the statutory recovery of costs under this section.

(2) SUBMISSION.—The Secretary shall submit the report required by paragraph (1) to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Government Operations of the House of Representatives.

SEC. 346. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) REPORT.—The Secretary shall, within 180 days after the end of each fiscal year, prepare an annual report which covers the statutory recovery of costs under this section.

(2) SUBMISSION.—The Secretary shall submit the report required by paragraph (1) to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Government Operations of the House of Representatives.

(b) ANNUAL REPORT TO CONGRESS.—

(1) REPORT.—The Secretary shall, within 180 days after the end of each fiscal year, prepare an annual report which covers the statutory recovery of costs under this section.

(2) SUBMISSION.—The Secretary shall submit the report required by paragraph (1) to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Government Operations of the House of Representatives.

(c) ANNUAL REPORT TO CONGRESS.—

(1) REPORT.—The Secretary shall, within 180 days after the end of each fiscal year, prepare an annual report which covers the statutory recovery of costs under this section.

(2) SUBMISSION.—The Secretary shall submit the report required by paragraph (1) to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Government Operations of the House of Representatives.

(d) ANNUAL REPORT TO CONGRESS.—

(1) REPORT.—The Secretary shall, within 180 days after the end of each fiscal year, prepare an annual report which covers the statutory recovery of costs under this section.

(2) SUBMISSION.—The Secretary shall submit the report required by paragraph (1) to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Government Operations of the House of Representatives.

SEC. 347. REPORTS AND DATA COLLECTION BY THE SECRETARY.

(a) ANNUAL REPORT TO CONGRESS.—

(1) REPORT.—The Secretary shall, within 180 days after the end of each fiscal year, prepare an annual report which covers the statutory recovery of costs under this section.

(2) SUBMISSION.—The Secretary shall submit the report required by paragraph (1) to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Government Operations of the House of Representatives.

(b) ANNUAL REPORT TO CONGRESS.—

(1) REPORT.—The Secretary shall, within 180 days after the end of each fiscal year, prepare an annual report which covers the statutory recovery of costs under this section.

(2) SUBMISSION.—The Secretary shall submit the report required by paragraph (1) to the Committees on Appropriations of the House of Representatives and the Senate, the Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate, and the Committee on Government Operations of the House of Representatives.
(II) in the case of a willful disclosure or a disclosure which is the result of gross negligence, punitive damages; plus

(III) any other fees (including attorney's fees) of the action.

(d) Definitions.—For purposes of this section

(1) FINANCIAL INSTITUTION.—The term 'financial institution' means—

(A) any depository institution, as defined in section 3(c) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c));

(B) any 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 205 of the Federal Credit Union Act (12 U.S.C. 1752); and

(D) any institution-affiliated party of such a credit union, as defined in section 206(e) of such Act (12 U.S.C. 1766(e)); and

(2)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 AUTHORITY.—The term 'State child support enforcement agency' means a State agency which administers a State program for establishing and enforcing child support obligations.

Subtitle C—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" 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 agreements 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, 1988.

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, levies, or similar processes 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, monies (the entitlement to which is subject to the right to defer any such process) 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 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 Enforcement of Support Obligations.—With respect to notice to withhold, legal process, or the enforcement of an order, as defined in section 452(b) or (c) of this title, any other process or order 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 monies involved), each governmental entity specified in subsection (a) of this section shall accept 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 name 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 is required to respond to any procedure under State procedures in effect pursuant to subsection (a)(1) or (b) of section 466, or is effectually 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) after receipt of a 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 regulations) 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.

(3) Priority of Claims.—If a governmental entity specified in subsection (a) required to vary any process as defined in section 228(h)(3) otherwise (including severance pay, sick pay, and incentive pay);

(iii) periodic benefits (including a periodic benefit as defined in section 228(b)(3)); and

other payment or allowances under any law to any disciplinary action or penalty for, or in regard to any individual; or

(II) as compensation for death under any Federal program;

(iv) any other 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 Federal employee in connection with a claim for the receipt of retired or re�erved pay if the former member has waived a portion of the retired or re�erved pay in order to receive such compensation;

(i) compensation paid or payable to an individual; and

(ii) any other Federal program.

(2) Moneys Subject to Process.—

(1) In General.—Subject to paragraph (2), monies due 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, severance pay, sick pay, or incentive pay; and

(ii) periodical benefits (including a periodical benefit as defined in section 328(b)(3)) or other payment or allowances under any law to any disciplinary action or penalty for, or in regard to any individual; or

(III) as compensation for death under any Federal program;

(B) any other Federal program established to provide 'black lung' benefits; or

(C) compensation paid or payable to an individual for services performed by the individual.

B) do not include any payment or allowances under any law to any disciplinary action or penalty for, or in regard to any individual; or

(iii) worker's compensation benefits paid under Federal or State law but otherwise, to defray expenses incurred by the individual in carrying out duties associated with the employment of the individual; or

(3) 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—

(1) 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 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 the 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(l) 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 territories, possessions, and 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 the same conditions and procedures as set forth with respect to ‘child support’.

(B) 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 the same conditions and procedures as set forth with respect to ‘child support’.

(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 proceedings made by the court of such country with which the United States has entered into an agreement which requires the United States to honor the process or proceedings made by the court of such country.

(iii) an authorized official pursuant to an order of such a court or an administrative agency of competent jurisdiction or pursuant to a 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 by the individual to provide child support or make alimony payments.

(2) CONFORMING AMENDMENTS.—

(I) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) Sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662) and sections 461 and 462 (42 U.S.C. 659) are repealed.

(D) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661 and 662) are repealed.

(2) Section 462 (42 U.S.C. 662) is amended by—

(A) by inserting ‘or a support order, as defined in section 459(i)(2) 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 ordered by the court in accordance with such part D’ before ‘in an amount sufficient’.

(4) RELATIONSHIP TO PART D OF TITLE IV.—

Section 1408 of title 10, United States Code: and

(C) the exigencies of military service (as defined in section 459(i)(3) of the Social Security Act or other public payee designated by a State, in accordance with part D of title 10 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’.

(5) RELATIONSHIP TO PART D OF TITLE IV.—

Section 1408 of title 10, United States Code:

(1) 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 State law.

(2) The term ‘child support’ means any writ, order, summons, or other process in the nature of garnishment issued by a court or an administrative agency of competent jurisdiction or pursuant to a State or local law and

(3) The term ‘temporary, final, or subject to modification, issued by 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 proceedings made by the court of such country with which the United States has entered into an agreement which requires the United States to honor the process or proceedings made by the court of such country.

(4) The term ‘public payee’ means an individual, State, or local government, which includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

(5) 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 State law.
which debtor transferred income or property to at the end the following new subsection:

SEC. 364. VOIDING OF FRAUDULENT TRANSFERS.

(a) In General.—The term 'Social Security Act' (42 U.S.C. 656(a)), as amended by sections 315, 317(a), and 323 of this Act, is amended by adding at the end the following new paragraph:

"(I) 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 may, in the 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;

"(ii) if the individual is subject to such a plan and is not incapacitated, participate in such a plan; or

"(B) the State accorded full faith and credit to liens described in paragraph (A) arising without registration of the underlying order.

SEC. 369. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 465(a)(4) (42 U.S.C. 666(a)(4)) is amended by adding at the end the following new subsection:

"(E) the State accords full faith and credit to liens described in paragraph (A) arising without registration of the underlying order.

SEC. 370. DENIAL OF PASSPORTS FOR NONPAYMENT OF CHILD SUPPORT.

Section 466(a) (42 U.S.C. 666(a)) is amended, by adding at the end the following new paragraph:

"(K)(1) If the Secretary receives a certification from a State agency in accordance with the requirements of section 464(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 limited use 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.

SEC. 371. STATE CASE AGENCY RESPONSIBILITY.—

Section 467 (42 U.S.C. 664), 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 (20); and

"(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:

"(3) provide that the State agency will 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 treated to the same extent in such form and accompanied by such supporting documentation, as the Secretary may require.

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF LICENSES.—

(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 under such an agreement if the individual was not the subject of a declaration pursuant to paragraph (1).

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

SEC. 459A. 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 365 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 nation has established, or undertakes to establish, procedures for the establishment and enforcement of duties of support owed to obligors who are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under subsection (b).

"(2) DESIGNATION.—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) an agency or agencies 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 Act, as amended by this section.

"(3) FORM OF DECLARATION.—A declaration under paragraph (1) may be made in the form of an international agreement, in connection with such an agreement, or in correspondence responding 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 establishing orders of support for children and custodial parents; and

"(ii) for enforcement of orders of support for such children and custodial parents, including procedures for the collection and appropriate distribution of payment made under such orders.

"(B) The procedures described in subparagraph (A) and the rules for collecting, adjusting, and distributing child support payments 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 Secretaries of the other Federal departments and agencies, shall consider additional standards as may be necessary or appropriate 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 collection in cases involving residents of the United States and residents of foreign countries that have been declared a reciprocating country under this section, by activities including—

"(i) development of uniform forms and procedures for use in such cases;

"(ii) establishing reciprocal child support arrangements with foreign countries that support obligations with foreign countries that are not the subject of a declaration pursuant to subsection (a) to extent consistent with Federal law.

"(d) 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 370a(2) of this Act is amended—

"(1) by striking "and" at the end of paragraph (31) and inserting "and the following paragraph:

"(3) by adding after paragraph (31) the following new paragraph:

"(32)(A) provide that any request for services under this part with respect to a foreign country made pursuant to section 459A(d)(2) shall be treated as a request for services under this part with respect to a foreign country or a foreign country with which the State has an arrangement described in section 459A(a)(2) of this Act shall be treated as a request for services under this part with respect to a foreign country if the foreign country has entered into reciprocal arrangements for the enforcement of duties of support with foreign countries that are residents of the United States, and such procedures are substantially in conformity with the standards prescribed under such an arrangement; and

"(B) provide, at State option, notwithstanding paragraph (4), any other provision of this part, for services under the plan established by the Federal Parent Locator Service in response to a notice of lien or levy issued by a financial institution or any similar entity, if such procedures are substantially in conformity with the standards prescribed under such an arrangement; and

"(C) provide that no applications will be required from, and no costs will be assessed against the obligor (but not the obligee) in response to a notice of lien or levy issued by a financial institution; or

"(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)(i); or

"(iii) for any other action taken in good faith to comply with the requirements of subparagraph (A).

"(e) DEFINITIONS.—For purposes of this paragraph—

"(1) FINANCIAL INSTITUTION.—The term 'financial institution' means any Federal or State commercial savings bank, including savings association, commercial 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 United States.

"(2) ACCOUNT.—The term 'account' means a demand deposit account, checking or negotiable withdrawal order account, savings account, time deposit, or money-market mutual fund account.

"SEC. 373. ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNL GRANDPARENTS IN CASES OF MINOR PAR- ENTS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 313, 317(a), 323, 369, and 372 of this Act, is amended by adding at the end of section 466 the following new paragraph:

"(8) ENFORCEMENT OF ORDERS AGAINST PATERNAL OR MATERNL GRANDPARENTS.—Pro- cedures under which, at the State's option, any child support order issued under this part with respect to a child of minor parents, if the custodial parents of such child is receiving child support under the State program under part A, is amended by adding at the end the following new paragraph:

"(A) A State may enforce support obligations with foreign countries that are not the subject of a declaration under this part with respect to a child of minor parents, if the custodial parents of such child is receiving child support under the State program under part A, is amended by adding at the end the following new paragraph:

"(B) A State may enforce support obligations with foreign countries that are not the subject of a declaration under this part with respect to a child of minor parents, if the custodial parents of such child is receiving child support under the State program under part A, is amended by adding at the end the following new paragraph:

"SEC. 374. NONDISCHARGEABILITY IN BANKRUPTCY OF DEBTS FOR THE SUPPORT OF A CHILD.

(a) AMENDMENT TO TITLE II OF THE UNITED STATES CODE.—Section 302(a) of title II, United States Code, is amended by adding after section 301 the following new section:

"(1) in paragraph (18) 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 430 of the Social Security Act to the extent such assistance is provided for the support of a child under an order of a court of a State or municipality under a State program funded under section 430 of the Social Security Act.

"(2) Section 465(b) of the Social Security Act (42 U.S.C. 655(b)) is amended to read as follows:

"SEC. 465. 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 430 is not dischargeable under section 727, 1141, 1228(a), 1228(b), or 1226(b) of title 11 of the United States Code to the extent that such assistance is provided for the support of a child under an order of a court of a State (as defined in such section)."
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(c) APPLICATION OF AMENDMENTS.—The amendments made by this section shall apply only with respect to cases commenced under title II of the Social Security Act after the effective date of this section.

Subtitle H—Medical Support
SEC. 376. CORRECTION TO ERIUS DEFINITION OF MEDICAL CHILD SUPPORT ORDER.
(1) by striking "(issued by a court of competent jurisdiction)" and adding at the end of subsection (a) the period at the end of clause (ii) and inserting a comma; and
(2) by adding, after and below clause (ii), the following:
"if such judgment, decree, or order (I) is issued by a court of competent jurisdiction and (II) is in accordance with the requirements of this Act and 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) AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1997.—A State shall not be required to make an amendment made by this section before the effective date of the enactment of an amendment to a plan required by an amendment made by this section not to be required to be made before the 1st plan year beginning on or after January 1, 1997.
(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 469(a) (42 U.S.C. 666(a)), as amended by sections 315. 317(a). 323, 363, 369, 372, and 373 of this Act and by adding at the end of 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 establishment of a health care coverage for the child, and in the case in which a noncustodial parent provides such coverage and changes employment, and the new employer provides such coverage, the noncustodial parent 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 nondisparaging access to and visitation of their children, by means of activities including mediation (both voluntary and mandatory), counseling, education, 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).
(c) ALLOTMENTS TO STATES.—
(1) IN GENERAL.—The allotment of a State for a fiscal year is the amount that bears the same relationship 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) ALLOTMENT TO STATES.—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 by 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 expenditures or other similar activities, provided that the amount of such supplemental grants shall be at least equal to the level of such expenditures for fiscal year 1995.
(e) STATE ADMINISTRATION.—Each State to which a grant is made by this section—
"(1) may administer State programs funded by 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) may 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 to be effective, apply only with respect to the period beginning on and after January 1, 1997.
(2) the effective date of laws enacted by the State and the effective date of any applicable amendments to a plan under section 466 of the Social Security Act, as amended by this title, shall be the date specified in this title, or the date specified in this title, or
(3) the date on which the State legislature of such State implementing such programs in accordance with regulations prescribed by the Secretary.
(b) EFFECTIVE DATE.—(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act and be effective upon the date of the enactment of this Act.
(2) 5 years after the date of the enactment of this Act and be effective on the date of the enactment of this Act.
(3) by adding after and below clause (ii), the following:
"(A) Public health assistance for immunizations.
(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) Public health assistance for immunizations.
"(c) 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) It 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 there be no Federal funding of activities, programs, and services that would in any way assist the alien to remain in the United States or otherwise be located within the nation’s borders, unless the alien is dependent on Federal or other public resources, whether those resources are provided by a State or Federal government or by any other governmental entity.
(3) The State staffs the alien in the absence of Federal or other public resources, but rather rely on their own capabilities and the resources of their families, their friends, and private organizations, and
(B) the availability of Federal resources does not constitute an incentive for immigration to the United States.
(4) Despite the principle of self-sufficiency, aliens have been applying for and receiving public benefits from Federal, State, and local governments at increasing rates.
(5) It is a compelling government interest to remove the incentive for illegal immigration provided by the availability of public benefits.
(c) Title V—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) Public health assistance for immunizations.
(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, in the case of aliens who are not legally admitted to the United States, 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.

(2) The State, housing or community development assistance or financial assistance administered by the Secretary of Housing and Urban Development, any program under title II of the Social Security Act, 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 and ending on the date which is 1 year after the date of enactment of this Act and whose eligibility for such benefits is determined by reason of the provisions of this subsection.

(III) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State or, as appropriate, the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provision of this subsection shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of enactment of this Act if the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(ii) FICA EXCEPTION.—Paragraph (i) 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, a tax under chapter 2 or under chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(1) Such term shall not apply—

(A) for up to 48 months if the alien can demonstrate that any battery or cruelty to which the alien has been subjected 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 when 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, 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 such battery or cruelty; 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 connection to the battery or cruelty described in subparagraph (I) or (II); and

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(I) 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 entity of the United States or any appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, 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 any appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license provided by an entity of the United States or any appropriated funds of the United States whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who is 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, in consultation with the Secretary of State.

SEC. 402. LIMITED ELIGIBILITY FOR CERTAIN QUALIFIED ALIENS FOR CERTAIN FEDERAL PROGRAMS.—

(a) LIMITED ELIGIBILITY FOR SPECIFIED FEDERAL PROGRAMS.—

(I) 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)).

(ii) Recertification of eligibility.—(A) For purposes of this subsection, the Commissioner of Social Security shall redetermine the eligibility of an alien for Federal programs for months beginning on or after the date of enactment of this Act if the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(B) FICA EXCEPTION.—Paragraph (i) 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, a tax under chapter 2 or under chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(3) Recertification criteria.—With respect to any recertification under subclause (I), the State or, as appropriate, the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provision of this subsection shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of enactment of this Act and whose eligibility for such benefits is determined by reason of the provisions of this subsection.

(2) RECERTIFICATION CRITERIA.—With respect to any recertification under subclause (I), the State or, as appropriate, the eligibility criteria for applicants for benefits under such program.

(III) GRANDFATHER PROVISION.—The provision of this subsection shall only apply with respect to the eligibility of an alien for a program for months beginning on or after the date of enactment of this Act if the alien is lawfully residing in any State and is receiving benefits under such program on such date of enactment.

(4) FICA EXCEPTION.—Paragraph (i) 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, a tax under chapter 2 or under chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(1) Such term shall not apply—

(A) for up to 48 months if the alien can demonstrate that any battery or cruelty to which the alien has been subjected 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 when 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, 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 such battery or cruelty; 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 connection to the battery or cruelty described in subparagraph (I) or (II); and

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(I) 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 entity of the United States or any appropriated funds of the United States; and

(B) any retirement, welfare, health, disability, public or assisted housing, post-secondary education, 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 any appropriated funds of the United States.

(2) Such term shall not apply—

(A) to any contract, professional license, or commercial license provided by an entity of the United States or any appropriated funds of the United States whose visa for entry is related to such employment in the United States; or

(B) with respect to benefits for an alien who is 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, in consultation with the Secretary of State.
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 326(d)(3) of chapter 21 of the Internal Revenue Code) for Federal programs (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designating Federal programs under—is

(A) TIME-LIMITED EXCEPTION FOR REFUGEES AND ASYLUM—(i) An alien who is admitted to the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1152) and

(ii) has lived in the United States for 5 years after the date of entry of the alien into the United States if the alien

(iii) An alien whose deportation is being withheld under section 243(h)(3)(B) 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 (8 U.S.C. 1152) and

(ii) has worked 20 qualifying quarters of coverage as defined under title II of the Social Security Act or can be credited with such service under section 312 (of such Act) and

(iii) did not receive any Federal means-tested public benefit (as defined in section 435) during any quarter in which the alien worked for 20 or more hours in a week, is eligible by reason of the alien's work history and such public benefits applied for has a substantial connection to such battery or cruelty.

(C) SSI DISABILITY EXCEPTION.—Paragraph (I) shall not apply to an alien who has not attained 18 years of age and is eligible for supplemental security income benefits under title XVI of the Social Security Act.

(D) DESIGNATED FEDERAL PROGRAMS.—For purposes of this title, the term "designated Federal program" means any of the following:

(A) TEMPORARY ASSISTANCE FOR NEEDED FAMILIES.—The program of block grants to States for temporary assistance for needy families under title A of title 42 of the United States Code.

(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 PROGRAMS.

(A) EXCEPT—An alien who has not attained 18 years of age and is

(i) a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(ii) has served in the Armed Forces of the United States,

(iii) the spouse or parent of such child is a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(iv) the child is a qualifying child (as defined in section 152 of the Internal Revenue Code of 1986) of the veteran described in clause (i) or (ii): and

(v) the need for the public benefits applied for has a substantial connection to such battery or cruelty.

(B) EXCEPTIONS.—An alien who does not satisfy the requirements of subparagraph (A) is—

(i) the spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(ii) An alien who on the date of the enactment of this Act is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(ii) has served 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): and

(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 this section (or any other provision of law and except as provided in section 403(c)) during any such quarter.

(E) FICA EXCEPTION.—Paragraph (I) shall not apply to an alien described in clause (i) or (ii) if the Alien determines that it is necessary to prevent the spread of such disease.

(F) TIME-LIMITED EXCEPTION FOR BATTERED WOMEN AND CHILDREN.—Paragraph (I) 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 when the spouse or parent consented or acquiesced to and the battery or cruelty.

(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 (I) 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) SOCIAL SECURITY DISABILITY.—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.

(I) EXCEPT.—An alien who has not attained 18 years of age and—

(i) is a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(ii) has served in the Armed Forces of the United States, or

(iii) the spouse or parent of such child is a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(iv) the child is a qualifying child (as defined in section 152 of the Internal Revenue Code of 1986) of the veteran described in clause (i) or (ii): and

(v) the need for the public benefits applied for has a substantial connection to such battery or cruelty.

(J) SSI DISABILITY EXCEPTION.—An alien who does not satisfy the requirements of subparagraph (A) is—

(i) the spouse of the alien, taxes under chapter 2 or chapter 21 of the Internal Revenue Code of 1986 in each of 20 different calendar quarters.

(ii) An alien who on the date of the enactment of this Act is lawfully residing in any State and is—

(i) a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(ii) has served in the Armed Forces of the United States, or

(iii) the spouse or unmarried dependent child of an individual described in subparagrap (A) or (B).

(iii) is necessary for the provision of life or safety.

(iv) does not condition the provision of such 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, and the duration of such services on any other provision of law and except as provided in section 403(c)) during any such quarter.

(J) 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.

(K) SCHOLARSHIP PROGRAMS.—An alien who has not attained 18 years of age and is

(i) is a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(ii) has served in the Armed Forces of the United States, or

(iii) the spouse or parent of such child is a veteran (as defined in section 101 of title 38, United States Code) who has been discharged under section 21 of chapter 123 of title 38, United States Code, or

(iv) the child is a qualifying child (as defined in section 152 of the Internal Revenue Code of 1986) of the veteran described in clause (i) or (ii): and

(v) the need for the public benefits applied for has a substantial connection to such battery or cruelty.

(L) FEDERAL MEANS-TESTED PUBLIC BENEFIT DEFINED.—(I) 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.

(ii) 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) Public health assistance for immunizations.

(F) 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.

(G) Programs of student assistance under the Social Security Act.

(H) Programs of student assistance under the Higher Education Act of 1965.

(I) 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 Sections 401, 402, or 403 applies shall, directly or through the States, post information and provide general notification to the public and to recipients of the charges 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 (hereafter in this paragraph referred to as the 'Service'), furnish the Service with the name and address of, and other identifying information about, any alien who the State knows is unlawfully in the United States.

(1) 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 about, any alien who the Commissioner knows is unlawfully in the United States, and shall ensure that each agreement entered into under section 1619(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..."

SEC. 28. PROVISION OF INFORMATION TO LAW ENFORCEMENT AND OTHER AGENCIES.

"Notwithstanding any other provision of law, the Attorney General 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 about, any alien who the Attorney General knows is unlawfully in the United States, and shall ensure that each contract for assistance entered into under section 1619(b) with a State provides that the public housing agency that furnishes such information at such times with respect to any individual who the public housing agency knows is unlawfully in the United States...

Subtitle E—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)) if—

(1) a qualified alien (as defined in section 431);

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(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 alien'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 of the alien 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) exceptions.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) Except as provided in paragraph (2), for any alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year;

(2) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(c) exceptions.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431);

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(d) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(e) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(f) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(g) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(h) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(i) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(j) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.

(k) EXCEPTIONS.—Qualified aliens under this subsection shall be eligible for any State public benefits if—

(1) a qualified alien (as defined in section 431)

(2) a nonimmigrant under the Immigration and Nationality Act (as defined in section 101(a)(15));

(3) an alien who is paroled into the United States under section 212(d)(5) of such Act for less than one year.
SEC. 412. AUTHORITY FOR STATES TO PROVIDE FOR
ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO
ALIEN WITH RESPECT TO STATE
PROGRAMS.

(a) OPTIMIZATION LOCATION TO STATE PROGRAMES.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public benefit (as defined in section 412(c)), the State or political subdivision of a State which offers the benefits is authorized to provide that the income and resources of the alien shall be determined includ-

-ing—

(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 the alien described in clause (i) or (ii); and

(ii) the income and resources of the alien (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 assistance programs.

(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 kitchen, center for emergency shelter, and short-term shelter) specified by the Attorney General of a State, after consultation with appropriate agencies and departments of the 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 Resources to Aliens

SEC. 421. FEDERAL AID TO SPONSORS' INCOME AND RESOURCES TO ALIENS 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:

(i) 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.

(ii) 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—

(i) achieves United States citizenship through naturalization pursuant to chapter 2 of title III of the Immigration and Nationality Act; or

(ii) 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 432, and (B) did not receive any Federal benefits (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).

"(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 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 directly from the sponsor in the amount of such assistance.

"(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 residing 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 provide the information required under subparagraph (A) shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000.

"(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) DETERMINATION AND USE OF GOVERNMENT EXPENSE.—(1) Upon notification that a sponsored alien has received any benefit under any means-tested public benefits program, the appropriate Federal, State, or local agency shall request reimbursement from the sponsor in the amount of such assistance.

"(2) 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) of this section.

"(f) 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 pay, or an action may be brought against the sponsor pursuant to the affidavit of support.

"(g) If the sponsor fails to abide by the requirement of paragraph (f), the Attorney General, in consultation with the Secretary of Health and Human Services, shall prescribe such regulations as may be necessary in order to ensure that the sponsor in such case.

"(2) If, pursuant to the terms of this section, 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 and include corresponding remedies available under State law. Nothing in this section shall preclude any other person to act on behalf of such agency.

"(3) 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) 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, and include corresponding remedies available under State law. Nothing in this section shall preclude any other person to act on behalf of such agency.

"(4) DETERMINATION FOR PURPOSES OF MEDICAID ELIGIBILITY.—If any person subject to the requirement of paragraph (1) who fails to provide the information required under subparagraph (A) shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000.

"(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.

"(5) If, pursuant to the terms of this section, 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, and include corresponding remedies available under State law. Nothing in this section shall preclude any other person to act on behalf of such agency.

"(6) DETERMINATION FOR PURPOSES OF MEDICAID ELIGIBILITY.—If any person subject to the requirement of paragraph (1) who fails to provide the information required under subparagraph (A) shall be subject to a civil penalty of—

"(A) not less than $250 or more than $2,000.

"(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.

"(6) If, pursuant to the terms of this section, 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, and include corresponding remedies available under State law. Nothing in this section shall preclude any other person to act on behalf of such agency.
"(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 a 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 health, 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 is determined on the basis of income, resources, or financial need of the individual, household, or family.

(b) CLERICAL AMENDMENT.—The table of contents of this Act is amended by inserting after the item relating to section 212 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 title, shall apply to affidavits of support executed on or after a date specified by the Attorney General, which date shall not be earlier than 90 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.


(5) Assistance under section 301(j) of this title.

(6) Assistance or benefits under section 428B(a), 428C(b)(4)(A), and 464(c)(1)(E), or any provision of title II of the Social Security Act worked by a parent of such child.

(7) Assistance or benefits of a nonprofit charitable organization, under section 131 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended by inserting at the end of the section the following new paragraph:

"(c) EFFECTIVE DATE.—Subsection (a) of section 213A of 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. MEANS-TESTED PUBLIC BENEFITS PROGRAM.

(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 requests 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 granted conditional entry pursuant to section 203(a)(7) of such Act as in effect prior to April 1, 1988.

(c) 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 person is entitled, is a qualified alien and is eligible to receive such benefit. Such regulations shall, to the extent feasible, require that information requested as part of an application for a Federal public benefit be furnished 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 described in subsection (a).

(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. 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 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 services 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 amendment made by this title to any other provision of law is held unconstitutional, the remainder of this title and the application of the provisions of such title to any person or circumstance shall be unaffected thereby.

SEC. 434. COMMUNICATION BETWEEN STATE AND LOCAL GOVERNMENT AGENCIES AND THE ATTORNEY GENERAL REGARDING NATURALIZATION SERVICE.

Notwithstanding any other provision of Federal, State, or local law, no State or local governmental 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 who is a United States citizen.

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

(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, or

(2) all of the qualifying quarters of coverage 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

(3) 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 provided by a nonprofit charitable organization, 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, which (2) are provided by 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 general 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 provided by a public 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 who is a United States citizen.

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. 460a) is amended by

(1) by striking "Securing of Housing and Urban Development" each place it appears and inserting "applicable Secretary";"
SEC. 501. REDUCTIONS IN FEDERAL GOVERNMENT POSITIONS.

(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 made by this Act, are in effect.

(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) of this section;

(B) appropriate documentation in support of such determinations; and

(C) a description of the methodology used in making such determinations.

(2) CONFORMING AMENDMENTS.—Section 501(h) of the Housing Act of 1949 (42 U.S.C. 1417(h)) is amended by striking "(1)" and by inserting "(1) by striking ",(1)"

(3) APPROPRIATE EFFECTIVE DATE.—Not later than June 30, 1996, 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 paragraph (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 date 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;

(3) the number obtained by subtracting the number referred to in paragraph (2) from the number referred to in paragraph (1); and

(d) ACTIONS.—Each Secretary referred to in subsection (b) shall take such actions as may be necessary, including reductions in force actions, consistent with sections 3502 and 3503 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 18 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.

(f) 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.

(g) 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, management, and legal functions) related to the activity.

(h) 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), and the 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 under title II of such Department and the amendments made by this Act; and

(2) an amount equal to 75 percent of that portion of the total full-time equivalent departments that are management positions at such Department that bears the same ratio to the total full-time equivalent positions within such Department that the amount appropriated for the programs referred to in paragraph (i) as such amount relates to the total amount appropriated for such programs in the year before the date of enactment of this Act bears to the total amount appropriated for such programs in the year after the date of enactment of this Act.

(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 3503 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 title II of such Department and the amendments made by this Act; and

(2) by 60 full-time equivalent managerial positions in the Department.

SEC. 503. REDUCTION IN 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 before reducing field personnel.

TITLE VI—REFORM OF PUBLIC HOUSING

SEC. 601. FAILURE TO COMPLY WITH OTHER FEDERAL HOUSING PROGRAMS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding after the new section enacted:—

"SEC. 27. FAILURE TO COMPLY WITH OTHER WELFARE AND PUBLIC ASSISTANCE PROGRAMS.

"(a) IN GENERAL.—If any 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 take an action required under the law, such reduction 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 funds are appropriated as a result of a reduction in the income of the family (determined under the applicable program) would reduce to less than 1.0.

(2) RELATION TO OTHER PROGRAMS.—If an individual is eligible for an adjustment based on the full amount of the annual adjustment factor, the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the same market area; and in determining the amount of Federal payments to the Secretary under section 403(l) of this Act (as so in effect), the Secretary shall make such amounts available to a State for a fiscal year under paragraph (A), equal to the Federal medi-
cal assistance percentage for such State for fiscal year 1995 (as defined in section 1903(b)(2) of the Social Security Act (42 U.S.C. 1396a)) not less than the amount described in subparagraph (B) of subsection (a) for fiscal year 1995, to carry out this subchapter $1,000,000,000 for fiscal year 1995 (as so in effect before October 1, 1995).

(3) APPLICABILITY.—There are authorized to be appropriated to the extent the Secretary determines that amounts under any grant awarded to a State for a fiscal year are available and may be used for the purpose of providing child care assistance, to be entitled to payments under a grant under this subchapter for a fiscal year in an amount equal to the greater of—

(A) the sum described in subparagraph (B) of subsection (a) for fiscal year 1995; and

(B) $2,367,000,000 for fiscal year 2000; and

(4) REDISTRIBUTION.—With respect to any fiscal year, the Secretary determines that amounts available to a State for a fiscal year under this subchapter for such fiscal year are subject to any limitations described in subparagraph (A) of subsection (a), the Secretary shall use any funds to the extent the Secretary determines that amounts available to a State for a fiscal year under this subchapter for such fiscal year are subject to any limitations described in subparagraph (A) of subsection (a), to provide such funds for the number of children living 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 provisions of this subsection may be used for the purpose of providing child care assistance, to be entitled to payments under a grant under this subchapter for a fiscal year in an amount equal to the greater of—

(A) the sum described in subparagraph (B) of subsection (a) for fiscal year 1995; and

(B) $2,767,000,000 for fiscal year 2002.

(5) REDISTRIBUTION.—With respect to any fiscal year, the Secretary shall use any funds that are subject to any limitations described in subparagraph (A) of subsection (a), to provide such funds for the number of children living 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 provisions of this subsection may be used for the purpose of providing child care assistance, to be entitled to payments under a grant under this subchapter for a fiscal year in an amount equal to the greater of—

(A) the sum described in subparagraph (B) of subsection (a) for fiscal year 1995; and

(B) $2,767,000,000 for fiscal year 2002.

(6) EFFECTIVE DATE.—The amendments made by this title shall become effective on October 1, 1995.

 Destruction of record. —If a family is no longer eligible for an adjustment based on the full amount of the annual adjustment factor, the record of such adjustment shall be destroyed.
are attempting through work activities to transition off of such assistance program, and (ii) those who are attempting through work activities to increase parental choice, and activities described in paragraphs (D), (E), and (F) of section 658H (42 U.S.C. 9858h) of this Act.

(3) Assistance for certain families.—A State shall ensure that a substantial portion of the amount of such funds that were improperly expended for purposes prohibited or not authorized by this subchapter, that the State reimburse the Secretary for any funds that were improperly expended for purposes prohibited or not authorized by this subchapter, and that it 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 and the District of Columbia.

SEC. 704. LEAD AGENCY.

Section 658d(b) (42 U.S.C. 9858b(b)) is amended—

(1) in paragraph (1)—

(A) by striking "State" the first place that such appears and inserting "governmental or nongovernmental"; and

(B) by striking "for subsequent State plan" and inserting "and in subparagraph (C) and (D)";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) by striking "Provide assurances and" and inserting "Provide assurances and";

(ii) in paragraph (3)—

(I) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS"; and

(2) in subsection (a), to read as follows:

(II) by striking "and" at the end and inserting a period; and

(III) by striking "for—" and all that follows through "1995"; and inserting "and providing 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" and inserting "Provide assurances and";

(II) by striking the period at the end and inserting a period; and

(III) by striking "and" at the end and inserting a period;

(iii) in subparagraph (C)—

(I) by striking "Provide assurances and" and inserting "Provide assurances and";

(II) by striking the period at the end and inserting a period; and

(III) by striking "and" at the end and inserting a period;

(3) in paragraph (2)—

(A) by striking "in subparagraph (A), by striking "in subparagraph (B), by striking "in subparagraph (C), by striking "in subparagraph (D), by striking "in subparagraph (E), and by striking "in subparagraph (F)."

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—";

(B) by striking "for subsequent State plan" and inserting "and in subparagraph (C) and (D)";

(2) in subsection (c)—

(A) in paragraph (2)—

(i) by striking "Provide assurances and" and inserting "Provide assurances and";

(ii) in paragraph (3)—

(I) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS"; and

(II) by striking the period at the end and inserting a period; and

(III) by striking "for—" and all that follows through "1995"; and inserting "and providing 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" and inserting "Provide assurances and";

(II) by striking the period at the end and inserting a period; and

(III) by striking "and" at the end and inserting a period;

(iii) in subparagraph (C)—

(I) by striking "Provide assurances and" and inserting "Provide assurances and";

(II) by striking the period at the end and inserting a period; and

(III) by striking "and" at the end and inserting a period;

(3) in paragraph (2)—

(A) by striking "in subparagraph (A), by striking "in subparagraph (B), by striking "in subparagraph (C), by striking "in subparagraph (D), by striking "in subparagraph (E), and by striking "in subparagraph (F)."

SEC. 706. COVERAGE, ELIGIBILITY, DETERMINATION, AND PAYMENTS.

Section 658J (42 U.S.C. 9858j) is amended by striking "expended" and inserting "obligated".

SEC. 711. ANNUAL REPORT AND AUDITS.

Section 658K (42 U.S.C. 9858k) is amended—

(1) in the section heading by striking "ANNUAL REPORT" and inserting "REPORTS";

(2) in subsection (a), to read as follows:

(II) by striking the period at the end and inserting a period; and

(III) by striking "and" at the end and inserting a period;

(2) in paragraph (2)—

(A) by striking "in subparagraph (A), by striking "in subparagraph (B), by striking "in subparagraph (C), by striking "in subparagraph (D), by striking "in subparagraph (E), and by striking "in subparagraph (F)."

SEC. 707. REPEAL OF EARLY CHILDHOOD DEVELOPMENT AND BEFORE- AND AFTER-SCHOOL CARE REQUIREMENT.

Section 658H (42 U.S.C. 9858h) is repealed.

SEC. 708. ADMINISTRATION AND ENFORCEMENT.

Section 658b (42 U.S.C. 9858b) is amended—

(1) in paragraph (1), by striking "and shall have" and all that follows through "(2)";

(2) in the matter following clause (ii) of paragraph (2)(A), by striking "finding and" and all that follows through "be subject to" and inserting "shall be subject to"; and

(3) in paragraph (2)(B), by striking "finding and" and all that follows through "be subject to" and inserting "shall be subject to".

SEC. 712. ENFORCEMENT.

Section 658L (42 U.S.C. 9858l) is amended by adding the following:

(1) COLLECTION OF INFORMATION BY STATES.—

(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information required 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) other source of income;

(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)

(VI) employment, including self-employment;

(VII) cash or other assistance under part A of title IV of the Social Security Act;

(VIII) housing assistance;
“(IV) assistance under the Food Stamp Act of 1977; and

“(V) other assistance programs:

“(a) any program under which the family has received benefits;

“(b) the number of months the family has received benefits;

“(c) the type of child care in which the child was enrolled (such as family child care, home care, or center-based child care);

“(d) the cost of child care provider involved was a relative;

“(e) the cost of child care for such family;

“(f) 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 until the data are available, the Secretary 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 type of providers listed in section 658P(5); and

“(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.

“(2) IN GENERAL—The term:

“(A) construction and insertion "of funds.—An Indian tribe or tribal organization may submit an application for a grant of assistance to construct or renovate facilities for the provision of child care services.

“(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 carry out such construction or renovation 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 subchapter for construction or renovation in 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 uniform procedures for the solicitation and consideration of requests under this paragraph.

“(3) SUBMISSION—The Secretary shall submit uniform procedures for the solicitation and consideration of requests under this 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 has determined is 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 658D of title 20 of the Code of Federal Regulations is amended—

“(1) in paragraph (1), by striking "construction and insertion "of funds.—An Indian tribe or tribal organization may submit an application for a grant of assistance to construct or renovate facilities for the provision of child care services.;

“(B) by striking "by striking this subsection (c) and inserting "the Trust Territory of the Pacific Islands.";

“(7) in paragraph (14)—

“(A) by striking "the Trust Territory of the Pacific Islands.";

“(B) by striking "the Tribes of the State of Hawaii; and

“(C) by striking "the Tribes of the State of Hawaii; and

“(D) by striking "the Tribes of the State of Hawaii; and

“(E) by striking "the Trust Territory of the Pacific Islands.;

“(4) in paragraph (3), by striking paragraph (2) and inserting the following:

“(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 "ap-";

“(5) by striking paragraph (10); and

“(6) in paragraph (13)—

“(A) by striking "after "Samoa.; and

“(B) by striking "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 paragraph:

“(B) OTHER ORGANIZATIONS.—Such term in- cludes 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. 10904(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 GRANT PROGRAM.—Title E of chapter 8 of subtitle A of title VI of the Omnibus Budget Reconciliation Act of 1981 (42 U.S.C. 1987-1997) 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. 3794 et seq.), is amended by—

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

“(2) in section 1068(b)(2) by striking sub- paragraph (C), and

“(3) in section 1097a(a)(6) by striking sub- paragraph (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.—The amendments made by this title shall take effect on October 1, 1996.

“(b) CONSTRUCTION OR RENOVATION OF FACILITIES.—Subchapter E of title I of the Native Hawaiian Education Act (Public Law 103-382; 108 Stat. 3794) is repealed.

“SEC. 802. COMMODITY ASSISTANCE.

“(a) IN GENERAL.—Section 6 of title II of the National School Lunch Act (42 U.S.C. 1755(e)) 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 result of the adjustment made under the most recent 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, 1998.—In the case of the 24-month period beginning July 1, 1998, the Secretary shall—

“(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment made under the most recent school year.

“(II) adjust the resulting amount in accordance with clause (i); and

“(III) round the result to the nearest lower cent increment.

“(iv) ADJUSTMENT FOR SCHOOL YEAR BEGINNING J ULY 1, 1999.—In the case of the school year beginning July 1, 1999, the value of food assistance shall be the same as the value of food assistance in effect on June 30, 1998.

“(v) ADJUSTMENT FOR SCHOOL YEAR BEGINNING J ULY 1, 1999.—In the case of the school year beginning July 1, 1999, the Secretary shall—

“(I) base the adjustment made under clause (i) on the amount of the unrounded adjustment made under the most recent school year.

“(II) adjust the resulting amount in accordance with clause (i); 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'.

§ 806. 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' 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 by adding at the end the following:

"(i) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(ii) by striking paragraphs (1), (2), and (3) through (9) as paragraphs (1), (2), and (3), respectively, and rearranging the paragraphs so as to appear in numerical order.

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.

(f) WAIVER.—Section 12(i) of the Act is amended—

(1) by striking paragraph (1)(A)(i) and 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 accounted for by the payment rates, in the case of the school year beginning July 1, 1997.

(i) base the adjustments made under this paragraph on the amount of the unrounded adjustment for paid lunches and paid breakfasts for the school year beginning July 1, 1996.

(ii) by striking 'The Trust Territory of the Pacific Islands' and inserting 'the Commonwealth of the Northern Mariana Islands';

(iii) by redesignating paragraphs (1), (2), and (4) as paragraphs (1) and (4), respectively.
(D) by striking clauses (v) through (vii); (E) by striking subparagraph (B); and (F) by redesignating clauses (i) through (viii) 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 to; that increases Federal costs or that relates"; and (B) by striking subparagraphs (B) through (D), respectively. (4) in subparagraph (E), 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 (e). SEC. 808. SUMMER FOOD SERVICE PROGRAM FOR CHILDREN. (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 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: "(1) 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 served and 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) $0.50 cents for each meal supplement served. (C) Adjustments.—Amounts specified in subparagraph (B) shall be adjusted each January 1 by the Bureau of Labor Statistics 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 index for the 12-month period. (d) Administration of Service Institutions.—Section 13(c)(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)— (1) in the first sentence— (i) by striking "; and 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) in 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."; (2) in subparagraph (C)(ii), by striking "severe need"; and (3) by redesignating subparagraphs (B) through (E), as so amended, as subparagraphs (B) through (D), respectively. (e) Advance Program Payments.—Section 13(e)(1) of the Act is amended— (1) by striking "institution: Provided, That (A) the institution and inserting "institution. The institution may permit a child attending a site on the end the following: "(II) PROFESSIONAL TRAINING.—Section 13(n)(2) of the Act is amended— (1) by striking subsection (p): and (2) by redesignating paragraphs (q) and (r) as paragraphs (q) and (r), respectively. (f) Effective Date.—The amendments made by subsection (b) shall become effective on January 1, 1996. SEC. 809. COMMUNITY DISTRIBUTION. (a) Cereal and Shortening in Commodity Donations.—Section 14(b) of the National School Lunch Act (42 U.S.C. 1782a(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(q) of the Act is amended by striking paragraph (3). (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(a)) 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)(8)) is amended— (1) in the second sentence— (A) by inserting "the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9358 et seq.) or" after "from amounts granted to the States under"; and (B) by striking "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 Federal funds, including 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)(8)) 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 (3) by adding at the end the following: "(3) 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 Amendments.—The last sentence of section 17(i)(2) of the Act is amended by striking ", and shall provide technical assistance" and all that follows through "its existing systems.

(e) Improved Targeting of Day Care Home Reimbursements.— (1) Restructured Day Care Home Reimbursements.—Section 17(i) of the Act is amended by striking "(3)(A) Institutions" and all that follows through the end of subparagraph (A) and inserting the following: "(I) MONITORING AND TRAINING.—Section 13(g) 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). (2) Extended 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. (c) Effective Date.—The amendments made by this section shall become effective on January 1, 1996.
(3) REIMBURSEMENT OF FAMILY OR GROUP DAY CARE HOME SPONSORING ORGANIZATIONS.—

"(i) IN GENERAL.—Except as provided in subsection (ii), with respect to meals or supplements served under this subsection to children who are members of households whose incomes meet the income eligibility guidelines, the family or group day care home may elect to receive reimbursement factors prescribed under subparagraph (A) or a portion of the amount described in subparagraph (A). The Secretary shall not be required to make payments under subparagraph (A) to a State during fiscal year 1994 as a percentage of the number of family day care homes participating in the program during fiscal year 1994.

(ii) ALLOCATION.—The Secretary shall allocate from the funds reserved under clause (I) to States to provide assistance to family or 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.

(4) ADDITIONAL PAYMENTS.—Any payments received under this subparagraph shall be in addition to payments that a State receives under subparagraph (A).

(5) 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.—

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) and (ee). The

(aftermath, adjusted on July

and 15 cents for supplements.

lunches and suppers, 30 cents for breakfasts,

justed on August 1,

the criteria set forth in clause (ii)(I), the re-

clause (II), with respect to meals or supple-

HOMES.—

school year.

for

the Consumer Price Index for food at home

each July 1 thereafter, to reflect changes in the

factors under this subparagraph shall be ad-

shall be the factors in effect on the date of

under this subparagraph for the cost of ob-

tion, reimbursement factors in accordance

general area. As defined by the

census data, in which at least 50 percent of the

area are members of households whose

income meets the income eligibility guide-

line for free or reduced price meals under

section 9.

"(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 determined in accordance with the following requirements:

"(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 prescribed under clause (iii)(III).

"(cc) CATEGORY 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 related 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.

"(dd) FACTORS FOR CHILDREN ONLY.—A fam-

ily or group day care home may elect to re-

ceive 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.

"(ee) 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 organiza-

tion that sponsors the home. The procedures the Secretary prescribes may include 1 or more of the following:

"(aa) SIMPLIFIED MEAL COUNTING.—For purposes of determining the number of meals served, a family or group day care home may elect to determine the number of meals served to all children or to a group of children at the time of serving the meal, or at the time the meal is delivered. The

number of the meals served that are to be re-

imbursed 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 re-

imbursed in accordance with the reimbursement factors prescribed under subclause (I), based on the family income of children en-

rolled in the home in a specified month or oth-

er period.

"(bb) Placing a home into 1 of 2 or more reimbursement categories annually based on the percentage of children in the home whose incomes meet the income eligibility guidelines under section 9.

with each such reimbursement category car-

rying a set of reimbursement factors such as

sections 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.

"(dd) VERTICAL VERIFICATION REQUIRE-

MENTS.—The Secretary may establish any

necessary vertical verification require-

ments.
State agency shall provide the data to family or group day care home sponsoring organizations located in the State.

"(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. 1711 et seq.) shall provide data 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 25% of the children served 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)(i)(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 paragraph (3), the 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)(i)(I)) shall be in effect for 3 years 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.

"(c) REIMBURSEMENT.—Section 17(f) of the Act is amended by striking subsection (k) and in subsection (f), by striking paragraph (4).

"(d) PROJECTS.—Section 26 of the National School Lunch Act (42 U.S.C. 1766(d)) is amended—

"(i) by striking paragraph (3); and

"(ii) by redesignating paragraphs (4) and (5) as paragraphs (3) and (4), respectively.

"(e) PROPOSED RULE.—Section 23 of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(f) EFFECTIVE DATE.—Section 25(b)(1)(C) of the Act (42 U.S.C. 1766b(f)(1)(C)) is amended by striking "1995" and inserting "1996".

"(g) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(h) ELIMINATION OF STATE PAPERWORK AND TRAINING PROGRAMS.—Section 1766 of the National School Lunch Act (42 U.S.C. 1766) is repealed.

"(i) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—Section 26 of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(j) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(k) STUDY OF PROVINCE.—Section 20 of the Child Nutrition Act of 1966 (42 U.S.C. 1772) is amended by striking "1995" and inserting "1996".

"(l) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(m) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(n) STUDY OF IMPACT OF AMENDMENTS ON PROGRAM PARTICIPATION AND FAMILY DAY CARE LICENSING.—Section 26 of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(o) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(p) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(q) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(r) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(s) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(t) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(u) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(v) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(w) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.

"(x) CONFORMING AMENDMENTS.—Section 1766b(f)(3)(C) of the National School Lunch Act (42 U.S.C. 1766) shall prescribe the information and procedures required under this section in a timely manner.
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 subparagraph (f); 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) 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 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 data are available; and

(iii) round the result to the nearest lower cent increment.

(2) EFFECTIVE DATE.—The amendments 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(b)" and inserting "subparagraphs (B) through (D) of section 11(a)(3)"; and

(B) in the second sentence, by striking "nearest one-fourth cent" and inserting "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 of the fourth sentence of paragraph (7) the following:

"the applicable school year".

(2) EFFECTIVE DATE.—The amendments made by subsection (a) shall become effective on July 1, 1996.

SEC. 823. FREE AND REDUCED PRICE POLICY STATEMENT.

Section 15(a) 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."
(8) in paragraph (17), by striking "and to accommodate" and all that follows through "commodity distribution program"; (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, paragraphs (2), (3), (4), (5), (7) through (19), (17), and (18), respectively.

(f) INFORMATION.—Section 17(g) of the Act is amended—
(i) in paragraph (5), by striking "the report required under subsection (d)(4)"); and inserting "reports on program participant characteristics"; and (ii) by striking paragraph (6).

(g) ADJUSTMENT OF INFANT FORMULA.—
(i) 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 (6)—
(i) by striking subparagraphs (A), (C), and (M);
(ii) in subparagraph (G)—
(1) 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", (v) in subparagraphs (B) and (D) through (L) as subparagraphs (A) and (B) through (J), respectively;
(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.

(iii) Section 3(s)(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding "and" after "Columbia"; and
(iv) in paragraph (2), by redesigning paragraphs (3) and (4); and
(v) by redesigning 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" and inserting "be available at any reasonable time.

(2) COORDINATORS FOR NUTRITION: STATE PLAN.—Section 19(h) of the Act is amended—
(i) in the second sentence of paragraph (1), by striking "subparagraphs (B) and (C)" each place it appears and inserting "subparagraph (A)"; and
(ii) in subparagraph (A)(i), as so redesignated, by striking "subparagraph (B)" and inserting "subparagraph (A)"; and
(iii) in paragraph (10)(A), by striking "should—
(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 "each succeeding fiscal year";
(2) by redesignating paragraphs (3) and (4) as paragraphs (4) and (3), 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) GENRES—
(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.
(iii) EFFECTIVE DATE—The amendments made by section 19(i) of the Act is amended by striking subsection (i).

(2) EFFECTIVE DATE.—The amendments made by section 19(i) of the Act shall become effective on October 1, 1994.

SEC. 813. 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 "as provided" and all that follows and inserting the following: "The certification period shall not exceed 12 months, except that the certification period on the date of certification may be extended 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 2 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 an approved electronic benefit transfer card 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(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—
(1) by striking "shall (i) make" and inserting the following: "shall—
(i) make";
(2) by striking "scale. (2) make" and inserting the following: "scale: (3) make";
(3) by striking "Alaska. (3) make" and inserting the following: "Alaska; (4) make";
(4) by striking "Columbia, (4) through" and all that follows through the end of the subsection and inserting the following: "Columbia; and (5) 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 the Secretary may not reduce the cost of the diet in effect on September 30, 1996."

SEC. 905. DEFINITION OF HOMELESS INDIVIDUAL.
Section 315(2)(C) of the Food Stamp Act of 1977 (7 U.S.C. 2012(6)(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 3 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—
(1) in subsection (d)—
(A) by striking "(16)" and inserting the following:
"(16) (B) by inserting before the period at the end of the following: "; and (17) income received under the Job Training Partnership Act (93 Stat. 3151 et seq.) by a household member who is less than 19 years of age; and
(2) in subsection (d), by striking "under section 394(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:
"(5) The Secretary shall exclude from financial resources the cash value of any life
insurance policy owned by a member of a household.  

(II) ADDENDUM 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:  

"(k)(6) 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.  

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 "$200, $165, and $175, respectively,
and inserting the following: "$229, $180. $269, and $118, respectively, for fiscal year 1996; and 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, there after." and inserting—  

"(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 States.  

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)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(4)) is amended—  

(1) by inserting after the 9th sentence the following:  

"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); or  

(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."

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(II) 80 percent of the wage that would have governed had the minimum hourly rate under section 6(a)(1)(B) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)(1)) been applicable to the offer of employment.  

(iv) refuses 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 described in subparagraph (C) or (D); 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); or  

(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."

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 striking "and" and inserting "or"; and  

(ii) voluntarily and without good cause—  

(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 a period, determined by the State agency, that does not exceed the lesser of—  

(I) the duration of the ineligibility of the individual described in subparagraph (C) or (D); or  

(ii) 180 days.  

(F) DETERMINATION BY STATE AGENCY.—  

"(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.—
SEC. 913. CARETAKER EXEMPTION.

For the purpose of subparagraph (A), (vi) of section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended to read as follows:

"(A) in clause (i), by striking "the head of the household," and inserting "the head of a household with responsibility for the child in the household as the head of the household if all adult household members making application are eligible to participate in the food stamp program except that a household with responsibility for the child in the household as the head of the household if all adult household members making application are eligible to participate in the food stamp program except that a household with responsibility for the child in the household as the head of the household if all adult household members making application are eligible to participate in the food stamp program unless the individual cooperates with the State agency under subparagraph (B)"

SEC. 914. EMPLOYMENT AND TRAINING.

(a) IN GENERAL.—Subject to subsection (b) and clauses (i) and (ii), a State agency shall determine—

"(ii) the public assistance eligibility of an individual in partnership with the State agency administering the food stamp program and under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)".

SEC. 915. COMPARABLE TREATMENT FOR DISQUALIFICATION.

(b) FUNDING.—Section 16(h) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)) is amended by adding at the end the following:

"(1) in subparagraph (A), by striking "the Secretary" and inserting "the Secretary and the State agency under subparagraph (B)"

SEC. 916. 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 12-month period if the individual is convicted in a Federal or State court of having made, a fraudulent statement or representation with respect to the identity or placement of the child or other household during any period during which the individual—

(1) fleeing to avoid prosecution, or customer in 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 misdemeanor under the law of New Jersey; or

(2) violating a condition of probation or parole imposed under a Federal or State law.

SEC. 917. DISQUALIFICATION OF FLEETING FELONS.—No member of a household who is otherwise eligible to participate in the food stamp program shall be eligible to participate in the food stamp program during any period during which the individual—

(1) fleeing to avoid prosecution, or customer in the law of the place from which the individual is fleeing or that, in the case of New Jersey, is a 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. COMPARABLE TREATMENT WITH CHILD SUPPORT AGENCIES.

(a) IN GENERAL.—If a State agency imposes a requirement under paragraph (1) for a failure of the member to perform an action required under a Federal, State, or local law relating to the collection of child support, the State agency may impose the same disqualification under subsection (d) 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 by striking "that is comparable to a requirement under paragraph (1)".

SEC. 919. CONGRESSIONAL RECORD—HOUSE.
the program established under part D of title IV of the Social Security Act (42 U.S.C. 651 et seq.)

(1) in establishing the paternity of the child (if the child is born out of wedlock); and

(2) in obtaining support for—

(i) the child;

(ii) the individual and the child.

(2) GOOD CAUSE FOR NONCOOPERATION.—

Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2017(c) (3)) is amended by striking "1977"

"(3) EXCEPTION.—

in the food stamp program as a member of any household if—

any group of individuals in the State if the Secretary makes a determination that the area in which the individuals reside—

waive the applicability of paragraph (2) to

except as provided in paragraph (2), a putative or identified noncustodial parent of a child (if the child is born out of wedlock) 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) in providing support for the child.

(3) FEES.—

the individual is delinquent in any payment due

and

waive the applicability of paragraph (2) to

A State agency may exercise the option under

SEC. 920. WORK REQUIREMENT FOR ABLE-BODIED RECIPIENTS.

(a) In General.—Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2017(c) (3)) is amended by adding at the end the following:

"(B) TIMELY IMPLEMENTATION—State agencies are encouraged to implement an electronic benefit transfer system under the terms, conditions, and design that the State agency considers appropriate.

(1) by striking "effective no later than April 1, 1992," and

(2) in subparagraph (A)—

"(i) by striking "3", in any 1 year,; and

"(ii) by striking "on-line";

"(F) by adding at the end the following:

"(3) FEES.—

(1) in providing support for the child.

(3) by adding at the end the following:

("A) 20 hours or more per week, averaged monthly;

(B) participate in a work program under section 20 or a comparable State or local work 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.—

(1) work 20 hours or more per week, averaged monthly;

(2) IN GENERAL.—

(3) by adding at the end the following:

"(i) by adding at the end the following:

"(ii) by adding at the end the following:

(7) REPLACEMENT OF BENEFITS.—

The proviso in section 8(c)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2017(a)(1)) is amended by striking "3" and "15" and substituting "5" for "3" and "15".
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 procedures that apply under part A of title IV of the Food Stamp Act of 1977 (7 U.S.C. 2018(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 shall not receive an increase of the result of the reduction 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, a member of the household shall be given written authorization for the Secretary to verify all relevant tax filings with appropriate agencies and to obtain corroborating documentation from other sources in order to establish that the decrease is the result of the reduction 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 8(d) of the Food Stamp Act of 1977 (7 U.S.C. 2018(d)) is amended by adding at the end the following:

"(2) (A) The State agency shall establish procedures governing the operation of food stamp offices that the State agency determines best serves households in the State, including such criteria as may be necessary, such as households with elderly or disabled members, households in rural areas with needs, and regional and local differences within the State agency—

(i) shall provide a method of certifying that—

(I) all members of the household are citizens or are aliens eligible to receive food stamps as provided in section 8(c);

(ii) locating or apprehending the member of the 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—

(A) the member—

(I) is fleeing to avoid prosecution, or custody commitment 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 York State, a high misdemeanor), or is violating a condition of probation or parole imposed under Federal or State law; or

(B) has information that is necessary for the officer to conduct an official duty related to subclause (i); and

(ii) locale or apprehending the member is an official duty; and

(vii) may establish operating procedures that vary for local food stamp offices to reflect regional and local differences within the State agency.

(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.

(3) 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.

(4) In the last sentence of subsection (b) 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. 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 at the end the following: "At the option of a State, at any time prior to a fair hearing determination under this paragraph, a household may withdraw its request for a 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. If the written request is 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 "Before" 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 witness testimony, documentary evidence, consistent 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: "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 witness testimony, documentary evidence, consistent redemption data, or evidence obtained through transaction reports under electronic benefit transfer systems."

(b) CONFORMING AMENDMENT.—Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2021(a)), as amended by section 938, is amended by adding the following as a new paragraph: "(c) The Secretary may establish 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 substantives 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 further distributed and used, or to facilitate the commission of such violation; and"

(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) 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; or

(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.

(c) CRIMINAL FORFEITURE FOR FOOD STAMP BENEFIT VIOLATIONS.—(A) 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, 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 property such person obtains, is received, or is 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 this Act (including section 14(a), (b), (c), and (d) through (p) of subsection (a), section 14(c), section 205 of the Housing and Urban Development, Reinvestment and Community Safety Act of 1990, and section 112 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.

(RULES.—The Secretary may prescribe such regulations and rules as may be necessary to carry out this subsection.

SEC. 942. EXPANDED AUTHORITY FOR SHARING INFORMATION PROVIDED BY RECIPIENT.

(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 318(a) of the Social Security Administration Reorganization Act of 1984 (Public Law 100-265, 102 Stat. 1446), is amended—(1) by inserting in the 1st sentence of subclause (I) after "instrumentality of the political subdivisions thereof"; or (2) by inserting "or a State" in subclause (III) immediately after "United States".

(b) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6109(f)(2) of the Internal Revenue Code of 1969 (26 U.S.C. 6109(f)(2)) (as added by section 316(b) of the Social Security Administration Reorganization Act of 1984 (Public Law 100-265, 102 Stat. 1446)), is amended—(1) by inserting in subclause (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)"); and (2) by inserting in the last sentence of subclause (II) immediately after "Federal"; and (3) by inserting "or a State" in subclause (III) immediately 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 "or State" in the last sentence of paragraph (4) and the following: "but not including recruitment activities."

SEC. 944. COLLECTION OF OVERISSUANCES.

Section 16(a)(4) of the Food Stamp Act of 1977 (7 U.S.C. 2025(a)(4)), as added by section 407(a) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-573, 100 Stat. 2578), is amended by inserting the following: "5 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. 602) is amended to read as follows:

"SEC. 16. STANDARDS FOR ADMINISTRATION. (a) DEFIENSION.—In this section, the term "State" means any State or political subdivision of a State.

(b) RULES AND PROCEDURES.—(1) In operating such simplified food stamp program, the State or political subdivision of a State shall—

"(A) simplify program administration while fulfilling the goals of the food stamp program to permit low-income households to obtain a more nutritious diet;

"(B) comply with this section;

"(C) would not increase Federal costs for any fiscal year; and

"(D) substantially alter, as determined by the Secretary, the appropriate distribution of benefits according to household need.

"(2) The determination under paragraph (1) shall be made by the Secretary not later than 30 days after the Secretary has received an application to an eligible household not later than 30 days following the filing of an application:

"(I) section 11(e)(10) (for a comparable requirement established by the State under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.)); and

"(II) section 16.

"(3) Notwithstanding any other provision of this Act, 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) substantially alter, as determined by the Secretary, the appropriate distribution of benefits according to household need.

"(II) a charitable institution (including a child nutrition program providing food serv-

So...
("(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 organization, hunger relief centers, or other food or feeding centers that, as an integral part of their normal activities, provide meals or food for 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 such as the Department of Agriculture, 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 low-income persons, including those who are not employed.

(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 their normal activities, provides meals to needy persons, including low-income and unemployed persons, for a charge.

(9) TOTAL VALUE OF ADDITIONAL COMMODITIES.—The term "total value of additional commodities" means the actual cost of all additional commodities made available under this Act 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).


(a) in the 1st sentence—

(i) by striking "1991 through 1995" and inserting "1996 through 2002"; and

(ii) by striking "for State and local" and all that follows through "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

(b) by striking the fourth sentence.


(a) in the 1st sentence of section 203B(a), by striking "203 and 203A of this Act" and inserting "203A;" and

(b) in section 204(a), by striking "title" each place it appears and inserting "Act;" and

(c) by striking section 312.

(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 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) of this section 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 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:


(2) Section 203 of the Housing Act of 1937 (42 U.S.C. 485); and


(3) The Child Care and Development Block Grant Act of 1990 (relating to block grants for child care care).
drug abuse, illiteracy, welfare dependency.

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SEC. 1013. ENHANCED FEDERAL MATCH FOR CHILD WELFARE AUTOMATION EX

(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:

"(3)(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 managed care 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 a quarter is in fiscal year 1997.

"(iii) to the extent practicable, have the capability of interfacing with the State data collection system that collects information relating to child abuse and neglect;

"(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; and

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on and after October 1, 1996.

(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:

"(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.

(b) REDUCTION IN DISQUALIFIED INCOME.—

(1) IN GENERAL.—Subsection (i)(1) of the Internal Revenue Code of 1986 is amended by striking "and" at the end of subparagraph (D), and by redesignating subparagraph (E) as subparagraph (D).

(3) MODIFIED ADJUSTED GROSS INCOME.—

Subsection (i)(1) of such Code is amended by adding at the end the following new subparagraph:

"(ii) the dollar amount contained in subparagraph (j)(1)."

(3) ROUNDING.—

(A) In general.—Except as provided in subparagraph (B), 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 the dollar amount is a multiple of $5, such dollar amount at an increased to the next higher multiple of $10).

(B) DISQUALIFIED INCOME THRESHOLD AMOUNT.—If the dollar amount referred to in clause (i) of paragraph (3)(B) exceeds the dollar amount under paragraph (1) is not a multiple of $50, such amount shall be rounded to the nearest lowest multiple of $50.

(C) MODIFIED 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:

"(i) the capital gain net income (as defined in section 32) of the taxpayer for the taxable year.

"(ii) the excess (if any) of—

(1) the aggregate income from all passive activities for the taxable year (determined without regard to any deduction from such income in earned under subsection (c) or described in a preceding subparagraph), over

(2) 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.

(b) EFFECTIVE DATE.—The amendments made by this section shall take effect on and after December 31, 1995.

SEC. 1022. 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 amended—

(1) by striking "adjusted gross income" and inserting "modified adjusted gross income":

(2) by adding at the end the following new paragraph:

"(B) 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—

(1) the amount of interest received or accrued by the taxpayer during the taxable year (exempt from tax), and

(2) amounts received as a pension or annuity, and any distributions or payments received from an individual retirement plan, during the taxable year to the extent not included in gross income.

Clause (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), 408(d) (4), 408(d) (5), or 457(e)(10).

"(B) Certain amounts deemed decreased.—An amount is described in this subparagraph if it is—

(1) the amount of losses from sales or exchanges of capital assets (regarding gains from such sales or exchanges to the extent such amount does not exceed the amount under section 121(b)(1)),

(2) the net loss from estates and trusts,

(3) 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 included in 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 subsection (a) shall apply to taxable years beginning after December 31, 1995.

SEC. 1026. NOTIFICATION OF AVAILABILITY OF EARNED INCOME TAX CREDIT IN STATE PROGRAMS.

(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:

"(26) the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended by adding at the end the following:

"(A) the Food Stamp Act of 1977 is amended by adding at the end the following:

"(3) PROPOSALS.—No State may be designated under this paragraph unless the State provides for the correct amount of advance earned income payments to be made to each participating resident during the calendar quarter under section 3102 (relating to wage withholding). and

"(2) TIMING.—The frequency of advance earned income payments may be based on the basis of the payroll periods of participating residents, and the Federal amount which is designated under this paragraph may be paid not more than once, and

"(B) COMMITTED TO PAYMENT TO BE MADE OUT OF.

"(2) DESIGNATIONS.—The Secretary by December 1 of each year a written statement showing the name and Social Security number of each participating resident. and

"(I) COMMITS THE STATE TO TREAT THE ADVANCE EARNED INCOME PAYMENTS MADE TO EACH PARTICIPATING RESIDENT AND TO THE SECRETARY BY DECEMBER 1 OF EACH YEAR A WRITTEN STATEMENT SHOWING THE NAME AND SOCIAL SECURITY NUMBER OF EACH PARTICIPATING RESIDENT.

"(C) COMMITMENTS.—The Secretary shall not be required to make advance earned income payments to a State unless the State provides for the correct amount of advance earned income payments to be made to each participating resident during the calendar quarter under section 3102 (relating to wage withholding).

"(D) PROPOSALS.—No State may be designated under this paragraph unless the State provides for the correct amount of advance earned income payments to be made to each participating resident during the calendar quarter under section 3102 (relating to wage withholding).
amount which bears the same ratio to such excess as such advance earned income payments bear to the aggregate amount of all such advance earned income payments.

(8) STATE REPAYMENT OF EXCESSIVE ADVANCE EARNED INCOME PAYMENTS.—

(A) IN GENERAL.—Notwithstanding any other provision of law, the excessive advance earned income payment made by a State shall be treated as having been deducted and withheld under section 3401 (relating to withholding of United States taxes on income) by reason of the payment of such 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—

(B) 4 percent of all advance earned income payments made by the State during that calendar year, and

(iii) 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 (7) that is—

(a) submitted for designation under paragraph (7),

(b) designated by the Secretary under paragraph (3), and

(c) annually reviewed and approved by the Secretary.

(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 (7)(C) pursuant to guidelines prescribed by the Secretary,

(iii) certifies to the State the number of qualifying children the individual has, and

(iv) provides to the State the certifications and statements set forth in subsection (b)(4) (except that for purposes of this clause (iv), the term 'any employer' shall be substituted for 'other 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—

(i) residents participate in the State Advance Payment Programs.

(ii) participating residents file Federal and State tax returns.

(iii) participating residents report accurately the amount of the advance earned income payments made to them by the responsible State agency during the year.

(iv) recipients of excessive advance earned income payments repay 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 Payment Programs, there are authorized to be appropriated in advance to the Secretary of the Treasury and the Secretary of Health and Human Services is as follows:

$1.400,000 for fiscal years 1996 through 1999.

The CHAIRMAN. Pursuant to House Resolution 482, the gentleman from Tennessee [Mr. TANNER] and a Member opposed will each control 30 minutes.

Mr. TANNER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would like to thank the minority leader for allowing us to present the so-called Castle-Tanner amendment to the matter pending before the body in this fashion. I want to, at the outset, thank my cosponsor, the gentleman from Delaware [Mr. CASTLE], the cosponsor of this Castle-Tanner bill. It has received some favorable comment around, and I appreciate it being considered on the floor today.

Madam Chairman, with those words, I yield the floor to the gentleman from Delaware [Mr. CASTLE].

Mr. CASTLE. Madam Chairman, I thank the gentleman for yielding me time.

Madam Chairman, I will say very briefly, because we do not have much time, I believe our bill does that better. That is a minimal requirement also gives States flexibility for a particular bill. It is committed in this particular bill.

There is a contingency fund. I can tell Members that the Archer legislation does not provide a safety net if the contingency fund is wiped out by recession. Ours is more responsive to economic downturns. It gives people an opportunity.

There will be economic downturns. Welfare will never get better than it is now in terms of saving money, maybe even better than the Federal Government. This is a minimal requirement in my opinion, and something we should do.

There is a contingency fund. I can tell Members that the Archer legislation does not provide a safety net if the contingency fund is wiped out by recession. Ours is more responsive to economic downturns. It gives people an opportunity.

Transferability is important, for example. We want to limit the transferability to some degree between these different block grants which are being created to make sure the children receive the benefits of that. I believe our bill does that better.

Medicaid linkage is important. If you qualify now, you qualify later. People should have access to medical care.

In the area of food stamps, our bill ensures the food stamp safety net is not cut off if people are not working after 4 months, even if job slots are not available.

There are other changes in our legislation. There are many things which address this. But, overall, we have the same fundamental focus of ending welfare as we know it. I think we have carefully crafted the safety nets in a variety of areas to help the States carry out their programs, to give them flexibility, to make sure particularly the children, but those who are in the situation in which they cannot care of themselves, are served by the piece of legislation we have before us.

I do not know what the will of the House is today. My preference is to
pass this legislation, but I would be satisfied in passing the Republican legislation. But we must move forward with a concept of welfare reform. I hope before anyone votes on this, they will look at it carefully and decide this is the best way to do it, and support Castle-Tanner.

Mr. SHAW. Madam Chairman, I rise in opposition to the amendment. The CHAIRMAN. The gentleman from Florida [Mr. SHAW] is recognized for 30 minutes.

Mr. SHAW. Madam Chairman. I yield 4 minutes to the gentleman from Pennsylvania [Mr. GOODLING], the chairman of the Committee on Economic and Educational Opportunities.

(Mr. GOODLING asked and was given permission to revise and extend his remarks.)

Mr. GOODLING. Madam Chairman, there is good news to announce on the floor of the House today. The good news basically is that all of those who have, over the last 30 some years, garnered a workable welfare program to have now come to the floor and admitted that it does not work.

Well, obviously, anyone knew it was not going to work if the idea was to help Americans get a part of the American dream. It certainly worked very well for many of us. The problem was to make sure that millions of Americans would become wards of the State and never have an opportunity to get part of the American dream.

I want to point out some of the things that came from our committee, because they have been misrepresented, and why I feel so strongly that the Republican proposal is the way to go.

First of all, we designed the program with several things in mind. We said welfare must be a safety net, not a way of life. There must be very clear emphasis on work, but getting those on welfare into work. We need to stop abuses of the system. We need to return power and flexibility to the States because they have a better idea of how to handle it than we do. Welfare should not encourage, it should discourage destructive personal behavior that contradicts clearly to welfare dependence as well as a host of other social problems.

Now, let me talk briefly about the bill. Under our bill, States must ensure an increasing percentage of their caseload as participating in work activities from 25 percent by the year 2002. What is unique about the Republican welfare bill is that these are meaningful, honest numbers, unlike the numbers that we will hear in the other bill.

One of the easiest things to do in putting in work participation rates is to put in a high percentage, but then exempt most welfare recipients from the calculation or count those who cycle on and off welfare toward meeting those numbers. That is one problem with the bill being offered by the other side. The work participation numbers are not honest numbers. We try to balance the need for States to have flexibility and how they put people to work with tough and meaningful goals and accountability.

Second, working together with the Committee on Ways and Means and others, I am pleased that the bill authorizes more money for child care. More money than anybody ever dreamed could become available. Clearly, if welfare reform is to succeed, there are other problems.

We have increased funding to nearly $5 billion more than the current law and more than the President offered when claiming our bills were short on child care. One problem may arise, however. All of the working poor and those from low, middle income are going to say we cannot get child care, but we are going to have to pay for someone else's.

We also made some other important improvements in child care. We consolidated programs to try to help both the States and, more importantly, families access child care. The bill increases the amount of money set aside for quality improvement activities and maintains the language on health and safety standards that is the child care development block grant.

The second, on child protection, we consolidated again six small separate single programs into one bill that would be distributed by formula to the States. The results, more flexibility and more money for States to use in setting up programs to prevent as well as treat child abuse and related problems.

In the areas of child nutrition, the bill saves some money, primarily by means testing the family day care program, the only program that is means tested, the only nutrition program. So it does not matter what the income is, we take from the money that we would have to feed the low income and the poor and give it to those who can otherwise pay for the care.

I would also note, unlike the substitute bill, the leadership welfare reform bill makes no reduction in reimbursement rates for school lunch and breakfast. Is it not ironic: All the misrepresentation has been about being able to buy the most when the whole country is in a downturn. Madam Chairman, we frequently point out that the devil is in the details. In this case both bills are filled with mind-numbing details, but the cumulative consequences of all those details are clear. We should not make the poorest and the youngest pay the most when the whole country is in a downturn.

Madam Chairman, we frequently point out that the devil is in the details. In this case both bills are filled with mind-numbing details, but the cumulative consequences of all those details are clear. We should not make the children pay an arbitrary and unfair share of the cost of reform, but we do need to reform welfare.

Therefore, I support and urge my colleagues to support the Tanner-Castle bill because it is responsible, it puts people to work, and it looks out for America's children.

Mr. SHAW. Madam Chairman. I yield 5½ minutes to the gentleman from Kansas [Mr. ROBERTS], the distinguished chairman of the Committee on Agriculture.

Mr. ROBERTS. Madam Chairman, I thank the gentleman for yielding me this time.

Madam Chairman, I rise in opposition to the substitute and for real welfare reform, and I want to take time to
thank the gentlewoman for the splendid and fair job that she is doing in presiding over a controversial issue, but a very important issue.

There have been many speeches over the past 2 days, 2 years, for that matter, and there has been quite a bit of talk about what is compassionate, what is caring, what is humane, what is inhumane about welfare reform.

Well, let us apply these markers to the Food Stamp Program. Now, that is the program that provides welfare in a form that comes under the jurisdiction of the House Committee on Agriculture and to a great extent has been ignored in this debate.

Does it help the poor to run a program that has no work requirements? 

Now, let us talk about running a program so rife with management that the public has lost faith in food stamps? How does it benefit the needy to run a program that the Department of Agriculture’s own inspector general says is overrun with instances of trafficking food stamps for goods? 

Evidence of those abuses, by the way, became national news on television as a result of the first hearing held by the Committee on Agriculture at the beginning of this Congress.

That is not compassion. That is not caring. Those are symptoms and those are failures of the current system that we address and reform in the committee bill.

Now, let me address another recurring part of this debate, and that is the gridlock or the inability of the Congress to arrive at a compromise. We have worked with the Department of Agriculture, we have worked with the administration and we have reached accord on many items, 72 percent, in regards to this bill.

I respect the gentleman from Delaware [Mr. CASTLE] and the gentleman from Tennessee [Mr. TANNER]. They are two fine Members, with unimpeachable integrity, and I respect their views. But there are significant differences. The substitute does not structurally reform the Food Stamp Program. It achieves much of its savings by cutting food stamp benefits and then in later years reintroduces something called indexing. That is not real reform.

Now, we have also heard much debate, especially from the administration, in reference to strong work requirements. My colleagues and I believe that the gentleman from Tennessee [Mr. TANNER] and the gentleman from Delaware [Mr. CASTLE], and all the others who worked together with us on the bipartisan compromise legislation.

The Castle-Tanner bill is a good reform bill which should be enacted into law.

While H.R. 3734 is getting much closer attention than it deserves, H.R. 3734 is not quite there yet. I will not again list the problems with the majority bill and explain how Castle-Tanner resolves them.

Others have done or will do that adequately. Let me just summarize my concerns in two major categories: the impact of this legislation on States and on America’s children.

If we are going to fix welfare, then our fix must be adequate. The Republican bill is inadequate, particularly in the area of work requirements. The National Governors Association 2 days ago adopted a resolution on welfare reform. The resolution stated that the bill restricts State flexibility and will create additional unfunded costs. CBO in the report accompanying the Republican bill stated that in fact the estimate of the unfunded mandate will be at $1.9 billion. By the way, a footnote: The first day we were in session in this Congress we adopted legislation to prevent us from implementing unfunded mandates on States.

In my home State of Utah, we have adopted welfare reform with strong work requirements, but there is concern that the law does not provide sufficient flexibility for Utah to continue that program. Most importantly, our welfare reform should not hurt innocent children who have no choice where they are born or whether their parents can find work. The Castle-Tanner bill is a good reform bill.
bill, and I urge adoption of the measure.

Madam Chairman, I am pleased that the House is debating welfare reform today. I have frequently stated that there are few things that people in our Nation agree upon more than the fact that our welfare system is a failure. I believe we all agree that the welfare system should be reformed so that it is based on work, and I have worked diligently to ensure that Congress adopts welfare reform which will be signed into law this year.

In order to achieve this goal, we must put aside the issues of work versus welfare. I am an original cosponsor of the legislation, and I strongly urge my colleagues to support this proposal because it is the only welfare bill that meets all of the objectives I have just stated.

In March of last year, the House passed the Personal Responsibility Act. I voted against that bill because it included several extreme provisions that would have imposed restrictive mandates on the States and hurt the safety net for American children. My greatest concerns were that it provided inadequate funding for child care, it imposed one-size-fits-all work requirements on States, and it did not provide for accountability of Federal tax dollars.

Adequate child care and health care funding is essential as we move parents into the workforce. No one wants innocent children to be in an unsafe environment because their parent is working. In addition, while everyone supports the concept of greater State flexibility in designing a welfare program that meets the needs of citizens, I believe any proposal that will hurt children and work for the sake of accountability of Federal tax dollars is unacceptable. The Personal Responsibility Act provided no guarantee that States would use Federal grant funds for their stated purpose.

Finally, one of my central concerns in considering the Personal Responsibility Act was determining what kind of legislation the successful Single Parent Employment Demonstration [SPED] program in Utah. The premise underlying the Utah program is universal participation: everyone works toward self-sufficiency. This program has enjoyed national and local support, and is exactly the kind of program you would expect welfare reform to fund. It would be absurd to think that the Utah program would be allowed to continue down this same successful path under a reformed system.

Instead, the Utah State Department of Human Services was concerned with the original bill because restrictive work participation definitions in the legislation would pose a threat to the program. The restrictive definition meant that a person faithfully following a self-sufficiency plan specifically designed to assist them in entering the labor market could be considered a non-participant by the Federal Government. The bill contained a Federal definition that would prevent States, who are dealing directly with individuals, from determining what would best assist a person in getting a job.

Ironically, while the bill did not allow States to count active participants toward meeting mandatory rates, people who were forced to leave the system because of reaching a time limit could be counted toward meeting work participation rate even if they have never received any work-related assistance services.

The original bill simultaneously restricted several State reform efforts and offered only minimal protection to people on welfare who were willing to work—it was the worst of both worlds.

This original bill, which I opposed, was the same song only a different verse. It imposed a one-size-fits-all Federal solution, only it prohibited certain actions of States rather than mandating them.

The Democratic alternative was far superior, but not perfect solution. Subsequently, many of us, Democrat and Republicans have worked together and forged a bipartisan compromise, which has forced both the Republicans and the President toward a centrist compromise. Today's Republican welfare reform bill has been improved dramatically since its original version last year in the following areas:

It provides an additional $4 billion for child care funding, allowing more parents to be assured of their children's safety as they enter the workforce.

It removes the annual food stamp spending cap that has hurt people during times of economic recession by limiting the food stamp program regardless of economic downturn.

It no longer allows conversion of child nutrition programs to State block grants, therefore we as a nation will remain committed to a healthy diet for all of America's needy children.

It guarantees services to children in the foster care and adoption assistance programs where many children are waiting to be placed with a loving family, and

It enhances States' ability to create a flexible program by providing a work performance bonus, additional funding through the contingency fund, and a greater hardship exemption.

I commend my colleagues on the other side of the aisle for moving toward us on these critical issues. However, there still remain some very serious problems with the current Republican proposal that are addressed in the Castle-Tanner bill.

Before outlining important differences, it is critical to point out that where the Congressional Budget Office [CBO] has determined that the Republican bill provides inadequate funding to meet the requirements of the bill, the bill imposes an unfunded mandate on the States. Many of the first actions of Congress was to prohibit unfunded mandates. The bipartisan Castle/Tanner bill, of which I am an original cosponsor, contains the following superior provisions:

Castle/Tanner requires that States maintain their share of the economic downturn, when States are experiencing a one-time hard time in the States. One of the first actions of this Congress was to prohibit unfunded mandates. Ironically, while the bill did not allow States to decrease their current expenditures by 25 percent, even if they are not having any success in getting people into jobs. The Castle/Tanner bill allows some States to decrease their level of expenditures to 85 percent if they have been successful in getting people to work. This is a sensible provision that guarantees that States keep up their end of the partnership with the Federal Government, and that they are rewarded for their success.

Castle/Tanner requires that individuals in similar situations are treated similarly. This is a commonsense provision. In addition, it removes restrictions contained in the portion of the bill that would require States to use their parents as their parents enter the workforce. Further, Castle/Tanner limits the transfer of block grant funds to anything but child care whereas the Republican bill would allow transfer of funds to other programs.

Castle-Tanner requires that States maintain at least 85 percent of current level of effort. In contrast, the Republican bill allows States to decrease their current expenditures by 25 percent, even if they are not having any success in getting people into jobs. The Castle/Tanner bill allows some States to decrease their level of expenditures to 80 percent if they have been successful in getting people to work. This is a sensible provision that guarantees that States keep up their end of the partnership with the Federal Government, and that they are rewarded for their success.

Castle-Tanner requires that in similar situations individuals are treated similarly. This is a commonsense provision. In addition, it removes restrictions contained in the portion of the bill that would require States to use their parents as their parents enter the workforce. Further, Castle/Tanner limits the transfer of block grant funds to anything but child care whereas the Republican bill would allow transfer of funds to other programs.

In conclusion, I urge my colleagues to vote in favor of the Castle-Tanner welfare bill. It outlines tough common sense reforms, but provides States with assistance in times of economic downturn. Let's not settle for anything less than the Castle-Tanner reform that we need.
This substitute does not go far enough to change the current system. It has loopholes that make any time limits worthless.

It still allows people who will have been on welfare for 5 years to continue receiving benefits. It puts the States in a straitjacket, giving them very little freedom to design their own reform programs. In fact, this substitute gives Secretary Shalala veto power over State welfare plans.

Madam Chairman, I just urge my colleagues to realize reform is the substitute and let the American people know that the status quo is just not good enough.

Mr. TANNER. Madam Chairman, one could categorize our bill as a lot of things, but status quo it is not.

Madam Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. CLEMENT].

(Mr. CLEMENT asked and was given permission to revise and extend his remarks.)

Mr. CLEMENT. Madam Chairman, I rise in support of Tanner-Castle. It is a good proposal. Let me tell you about Charles Davis, a former NBA basketball star who grew up in south Nashville on welfare. By utilizing his athletic skill, he was able to receive a scholarship to college and eventually play for the Chicago Bulls.

While he may be best known as a basketball great, he remains most admired in our community for his dedication to helping the disadvantaged. After years in the spotlight from his basketball achievements, he never forgot those less fortunate than himself, and he established the Charles Davis Foundation to provide funds that help individuals who are on welfare. He never forgot these people, because he knew firsthand what it was like to grow up on welfare.

As a Congress, we cannot forget these individuals. We can on longer delay welfare reform and we must enact a tough, balanced proposal while striving to preserve the basic guarantee of food and clothing and the disadvantaged. Reflecting the principles of work, family, and responsibility, I feel that the Castle-Tanner welfare reform bill achieves this effect.

It is the Castle-Tanner substitute that requires work while providing the necessary support to make it a reality. We cannot forget the millions of children who are on welfare. We must not forget these people, because they knew firsthand what it was like to grow up on welfare.

As a Congress, we must not forget these individuals. We can no longer delay welfare reform and we must enact a tough, balanced proposal while striving to preserve the basic guarantee of food and clothing for the millions of children, working families, and the elderly on welfare.

I will support the Castle-Tanner substitute that guarantees protections for children and moves able welfare recipients to work. We must follow Charles Davis’ example and not forget the individuals on welfare. The Castle-Tanner substitute is welfare reform that we can all support.

Mr. DELAY. Madam Chairman, I yield 1½ minutes to the gentleman from Texas [Mr. DELAY], distinguished Republican with me from this side of the aisle.

As a Congress, we cannot forget these individuals. We can no longer delay welfare reform and we must enact a tough, balanced proposal while striving to preserve the basic guarantee of food and clothing for the millions of children, working families, and the elderly on welfare.

I will support the Castle-Tanner substitute that guarantees protections for children and moves able welfare recipients to work. We must follow Charles Davis’ example and not forget the individuals on welfare. The Castle-Tanner substitute is welfare reform that we can all support.

Mr. TANNER. Madam Chairman, one could categorize our bill as a lot of things, but status quo it is not.

Madam Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. CLEMENT].
when she entered the program. She was able to find housing, enroll in computer training classes, and find employment in 10 months. Scotti, along with the other futures participants were able to reach their goal of self-sufficiency by utilizing the support of food stamps and other public assistance programs. All of the Missouri participants were willing to take risks to change the direction of their life by being confident in their children's basic needs of food and nutrition and health care would not be jeopardized. These programs have been in place for a long time and have helped those who need it because they cannot help themselves.

Throughout all of the debate in recent years over how best to implement welfare reform, I have repeatedly made clear that I simply will not support any legislation that results in innocent children going hungry or homeless.

In my view, the Tanner-Castle alternative meets this test, while the underlying bill does not.

After reviewing both plans last night, I have concluded that Tanner-Castle does not erode our Nation's commitment to provide a safety net for those among us who cannot provide for themselves.

For example, the underlying bill calls for $23 billion in food stamp savings, while the Tanner-Castle amendment calls for $20 billion in savings.

Unfortunately, the underlying bill calls for any Welfare recipient to be terminated if a welfare recipient does not find work within 4 months, regardless of the circumstances. Under this policy, what happens to the innocent children in this family?

Thankfully, the Tanner-Castle amendment stipulates food stamp assistance cannot be denied to someone on welfare who can't find work because jobs aren't available—this is exactly the kind of protections that will ensure our Nation's safety net remains in place in order to protect children and ensure that they don't go hungry through no fault of their own.

I agree with today's New York Times editorial which voiced its clear support for the alternative plan by saying that Tanner-Castle "preserves a federally-guaranteed food stamp program," in addition to the editorial in today's Washinton Post which also endorsed Tanner-Castle saying it will "preserve the income floor [provided by food stamp benefits] and reduce the severity of the cuts" proposed by the underlying bill.

Finally, this legislation allows States to use vouchers—in lieu of food stamp benefits—to pay for certain services needed by welfare recipients if a State has terminated cash benefits as part of its sanction program.

This is a large step in the right direction, because even if a welfare recipient is playing by all of the rules and has not found a job when the time limit becomes effective, the use of vouchers for services plays an important role in helping the family and its children keep their head above the waterline.

Although last night I indicated my support for the underlying legislation, I have withdrawn for the conference plan because I believe that the Tanner-Castle alternative is a more equitable, balanced approach to welfare reform.

Last April, I supported the initial House version of welfare reform legislation with some reservations. I was very pleased to see subsequently that the conference committee report on H.R. 4 last November included many significant improvements from the Senate-passed bill, which have properly been retained in the legislation before us.

I might add that, at that time, I stressed and received explicit assurances from our House Agriculture Committee that food stamps would not be clock-granted.

There should be no question that we must support strong welfare reform legislation this year. The American people are correctly demanding that we restore the notion of individual responsibility and self-reliance to a system that has run amok over the past 20 years.

Although I have strongly supported some welfare reforms that have been described as tough love measures for several years now, I want to reiterate that my goal has always been to require self-reliance and responsibility, while ensuring that innocent children do not go hungry and homeless as a result of Federal action—the Tanner-Castle plan meets that test.

Let me also be clear about the need for more flexibility for the States—I support giving Governors and State legislatures more freedom to design a welfare program that meets the needs of their people. However, the notion of block grants allowing States more freedom and flexibility to better design programs for their local areas does not meet that the Federal Government gives the States a blank check for which they are not held accountable.

For example, I believe that block grants must still require the underlying legislation's maintenance of effort requirements on States in order to ensure that the safety net of our Nation is maintained, and that States don't simply fund welfare programs with only Federal funds.

It is primarily for these reasons that I cannot support the underlying legislation, and must instead vote for the Tanner-Castle alternative.

First, this bill requires welfare recipients to work—a big step in the right direction.

Second, this bill places time limits on welfare benefits—no longer will people be allowed to live their lives on welfare.

Third, this bill keeps the family cap in place, which means that mothers on welfare don't get extra cash benefits for having babies.

In other words, the United States will no longer be the only nation in the Western World that pays young girls to have babies.

New Jersey already has this policy in place, and I am pleased to see that H.R. 3734 retains this worthwhile reform—I support this provision. After all, the family cap law was sponsored by a Democratic State legislator, and gained strong bipartisan support and was ultimately signed into law by a Democratic Governor.
Fourth, this bill has a strong and effective child support enforcement reform title, which is something that I have worked on here in Congress for more than 10 years. During the long maintained, strong child support enforcement reforms must be an essential component of any true welfare reform plan, because improved child support enforcement is welfare prevention: one of primary reasons that so many mothers with chil-
dren land on welfare rolls is that they are not receiving the child support payments they are legally and morally owed.

Failure to pay court-ordered child support is not a victimless crime. The children going with these payments are the first victims. But, the taxpayers have to pick up the tab for deadbeat parents evading their obligations are the ultimate victims.

The core of these child support enforcement reforms is the absolute requirement for interstate enforcement of child support. because the current state-based system is only as good as its weakest link.

Specifically, I want to note that the Roukema amendment on license revocation, which the House overwhelmingly approved last April 426 to 5. has been included in this bill. It requires States to implement a license revocation program for deadbeat parents who have driver's licenses, professional licenses, occupational licenses, or recreational licenses.

This reform has worked very well in 19 States—the State of Maine, in particular, has been a leader—that already have it in place. and if license revocation is implemented nationwide I am convinced it will work even more successfully.

Earlier today, I asked the Rules Committee to include a second child support enforcement proposal—a requirement that States enact criminal penalties of their own for deadbeat parents who nonsupport of children—as part of the manager's amendment to H.R. 3734. I hope that the Rules Committee will do the right thing, and include this tough reform in the legislation we will vote on tonight.

Fifth, I believe that the legislation's reforms for nutrition programs represent significant progress in maintaining the safety net for those in our society who are unable to provide for themselves.

During the Opportunities Committee markup and floor debate on welfare reform last year. I repeatedly attempted to protect the current safety net for school lunches so that, during times of recession, when more families move toward or beyond the poverty level and become eligible to participate in the school lunch program, additional money would be available to provide nutrition services.

Thankfully, the Senate saved the House from itself with its decision to preserve the current Federal safety net for school lunches. and H.R. 3734 follows the Senate position on this issue, which I wholeheartedly support.

I have always preferred to see the School Lunch Program completely maintained at the Federal level, and this legislation correctly does just that.

I am also extremely pleased that the welfare reform package before us does not block grant nutrition services for WIC, the nutrition program serving low-income, postpartum women with children and infants.

Finally, I am gratified to see that this bill incorporates a rainy day fund for those States that suffer a recession or economic downturn.

Last year, I repeatedly advocated that this kind of provision be included in any kind of welfare reform package that contains block grants in order to ensure that those who truly depend on our safety net programs can continue to rely on them during times of economic distress.

Earlier this spring, the National Governors Association called upon the Congress to put $2 billion of funding into the rainy day funds and this legislation meets that goal—I enthusiastically support this provision.

We have been so close to passing meaningful welfare reform for so long. Let us today finally move that process forward one more step by passing this comprehensive welfare reform package.

This is the bill. This is the time. The people of America should not have to wait any longer. I urge my colleagues to join me in supporting this important package.

Mr. SHAW. Madam Chairman, I yield 3 minutes to the gentleman from Ohio [Mr. HOKE].

Mr. HOKE. Madam Chairman, what mean-spirited right winger said the following:

The lessons of history, confirmed by the evidence immediately before me, show conclusively that continued dependence upon relief induces a spiritual disintegration, fundamentally destructive to the national fiber. To dole out relief in this way is to administer a narcotic, a subtle destroyer of the human spirit. It is in violation of the traditions of America. The Federal Government must and shall quit this business of relief.

We heard the gentleman from Utah quite correctly warn the world of the unknown, much better known three-letter icon in American history, FDR, who made it very clear, the Federal Government must and shall quit this business of relief because the lessons of history make clear that to administer a narcotic, a subtle destroyer of the human spirit.

I rise in opposition to this amendment and in support of the underlying bill. The reason that I do is because there is a fundamental difference that I want to highlight. It is the fundamental difference between allowing noncitizens to have access to the Federal welfare safety net and not. The Castle-Tanner bill makes it very clear that noncitizens will have greater access to the welfare system; certainly, much more access than under the underlying bill.

What happens under the welfare reform bill that we are going to vote on later today is we completely eliminate welfare benefits to noncitizens except for emergency medical treatment and some other exceptions for elderly people.

The fact is that we have got to, if we are going to fix the immigration, illegal immigration problem, and even legal immigration problem, if we are going to fix that and if we are going to have those people coming to America because they want to be in America, because they want to be in America, not take from America. then we have to eliminate the welfare magnet that we have created here.

The real solution to the immigration problem lies in eliminating and changing the way that we dole out relief, dole out welfare to anyone who is in this country, whether legally or illegally, citizen, or noncitizen. That is a fundamental problem.

We have a certain responsibility with respect to safety nets to citizens of the United States of America. That responsibility does not extend to noncitizens.

If we are to, in fact, as a compassionate nation that is able to take care of its own who are falling through the cracks, if we are to be able to do that in a proper way, then we must eliminate the welfare that goes to noncitizens.

Mr. TANNER. Madam Chairman, in response. I would simply say we have a modest exemption in our plan for kids and people who are legally in this country working and paying taxes.

Madam Chairman, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Madam Chairman, this bill. Castle-Tanner, reflects common sense because it is produced on common ground. How refreshing. Madam Chairman. to see Democrats and Republicans working together and trying to fix the welfare system that all Americans want us to fix.

I compliment the gentleman from Tennessee [Mr. TANNER] and the gentleman from Delaware [Mr. CASTLE] for bringing us together, and I am proud to be an original cosponsor of this legislation.
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This bill puts $3 billion extra into the worker training programs. It provides the States with the needed flexibility so that Indiana can do some things differently from California in order to do and make people work. It also saves. Madam Chairman, $53 billion for the taxpayer.

So it puts people to work, and it still saves money.

Finally, in our State, in Indiana, the worker training programs are working if we put money into them and they are getting people off of welfare. We have a job impact program in Indiana which as seen a job placement increase of 162 percent and a 26 percent decrease in AFDC caseloads.

So I would encourage our Members to vote for a bipartisan bill that puts people to work and gives them the skills to work.

Mr. SHAW. Madam Chairman, I yield 1½ minutes to the gentlewoman from Washington [Ms. DUNN], a Member of the Committee on Ways and Means.

Ms. DUNN of Washington. Madam Chairman, I commend all the people who have been active in this debate on welfare. It has been a tough long haul. We have produced two very good bills, sent them to the President. He has vetoed both of them. We are working now to put together a bill that he will sign, and I certainly understand and appreciate the concern and the compassion and the compassion of the Members from both sides of the aisle.

I like this alternative bill, but I simply believe that our original welfare bill is far better balanced and has looked at every issue with a better eye. There are three areas where I am a bit concerned. Madam Chairman, about the way of the land on the substitute bill.

First of all, it reduces earned income tax credit payments to low-income families by over $3 billion over our original bill. I am concerned about that. I think that we have been far more careful in revising the EITC and that this cuts it too much for working families.

Second, this substitute continues welfare after 5 years. There needs to be an end to welfare. Sixty months is enough in most cases, and as we continue food stamps and as we continue Medicaid, I believe 5 years is enough and that the voucher system is not a good part of the substitute bill.

Last, this substitute provides about $12 billion in extra welfare for noncitizens.

Madam Chairman, Americans are generous people. We have opened our arms to people from all over the world as long as they come to this Nation realizing it is a Nation of opportunity, not a Nation where we lean on the Government. We have in our original bill tightened the sponsor agreements. I believe it is very, very important to provide welfare to able-bodied noncitizens.

I urge a vote against this substitute.

Mr. TANNER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I would simply say that insofar as the EITC matter is concerned, once again we make no substantive change in the law. What we do is have savings scored because of compliance with the law.

Madam Chairman, I yield 1 minute to the gentleman from Alabama [Mr. CRAMER].

Mr. CRAMER. Madam Chairman, I thank my colleague from Tennessee for yielding this time to me, and I rise in strong support of the Tanner-Castle substitute to this topon, and I want to congratulate my colleague the gentleman from Tennessee [Mr. TANNER] as well as the entire Conservative Democratic Coalition, the Blue Dogs, as we are fondly known.

We have worked long and hard to make sure that we had an opportunity to get to this day when we could engage in some effective give and take, some effective dialog of this issue to make sure that we had the opportunity to see that the American people have this chance to see this worn-out, burned-out welfare system redesigned.

Now, this is not an easy thing to do, and I think that is why my colleagues need to pay attention. The Tanner-Castle substitute is the better way to go.

When we look at the bottom line of what we are about to do, we need to do what is effective, not just window dressing. I am concerned about the States that are coming from and what they are able to do effectively when we pass part of this burden, a significant part of this burden, on to the States, and I think the Tanner-Castle is the reasonable approach to take.

Mr. SHAW. Madam Chairman, I yield 30 seconds to the gentleman from Tennessee [Mr. TANNER] to find out how he saves $6 billion on EITC without affecting any benefits.

I mean I have been debating this as a straightforward bill, but I am wondering how in the world he saves that and make people work. It also saves, money. We have heard from and what they will be able to do with all the benefits. Mr. CASTLE is a former Governor, I think lends some respectability to the issues that we are speaking about today.

I, too, am an original cosponsor of the Castle-Tanner because I think it does give us real reform and real responsibility. We demand responsibility from the Federal Government and the States who are our partners in this system. We require work and hold beneficiaries responsible for their actions.
but we do not make these demands and then not live up to our end of the bargain.

Our commitment requires adequate funding levels for the work requirements in the bill. Castle-Tanner meets this need. The majority bill does not.

Our commitment requires that we have a plan in the event of a national or regional recession. We have seen that in this country. Castle-Tanner has a real contingency fund to meet this need. The majority bill has an underfunded contingency fund with unrealistic limits on a State's access to the fund.

In the Castle-Tanner we are more realistic. If there is no job, one cannot lose something as basic as food stamps. It also provide better protections for children. Children must not be made to suffer for their parents' action. We allow vouchers so that families who reach that time limit on welfare can still care for the basic needs of their children. The majority's bill prohibits the use of Federal funds to help children once their families have made that time limit. These are both tough bills and reform bills. We are just as strict on fraud and abuse as the majority's bill. But the fact is the Castle-Tanner treats people fairly with holding them, and we save $33 billion as well.

Mr. LEVIN. Madam Chairman, I yield 3 minutes to the gentleman from Michigan [Mr. LEVIN].

(Mr. LEVIN asked and was given permission to revise and extend his remarks.)

Mr. LEVIN. Madam Chairman, let me respond briefly to a couple of points. First of all, on time limits.

The time limits remain in Tanner-Castle. There are exceptions in both bills. They have a 20-percent exemption allowed to the States. Castle-Tanner has a similar provision. The question is whether the States should have the flexibility to use Federal funds for vouchers for kids because of the time limit. They say "no." They say they are for flexibility, but if the States want to use Federal funds for cash benefits but to help kids, they say "no." Castle-Tanner is much better in that respect.

EITC. I want to reiterate, we do not touch the rates. They tried to in their original bill. We scared them off. We do not change the basic EITC. We get savings through compliance efforts, but simply to help kids, they say "no." Castle-Tanner is much better on that.

Mr. SHAW. Madam Chairman, will the gentleman yield?

Mr. LEVIN. I yield to the gentleman from Florida.

Mr. SHAW. I mean the gentleman has been asking us to work with him in a bipartisan way, we come toward his position, and he says they scared us off of it. Come on. Let us lighten up.

Mr. LEVIN. All right, look. They agreed with us finally. All right. They can call it what they want. We hit them hard. and they finally said "OK." as they did on a lot of other things. They were on work and hard on kids. They have moved fairly far away. They simply have to come further.

Now I want to talk about States getting people off welfare into work. Which is so critical. CBO says, "You do not have money to help States get people off welfare to work." That is the key.

Now they say there is an authorization now. They have given this to the gentleman from Delaware [Mr. CASTLE]. The rumors are they will take it back in a conference. I hope those rumors are wrong. But I do not care, because it is only an authorization.

What Tanner-Castle says is we are serious about welfare to work. We are tough on that and we are going to provide the States the moneys to do it. They provide zero, and CBO says they are between $9 and $12 billion short.

If my colleagues want a bill that is tough on work, getting people off welfare to work, and does not hurt kids. Castle-Tanner is much closer to the mark, and they are further away. Vote for the Castle-Tanner bill. Vote for it, and then against the Republican bill. I hope the Tanner-Castle bill will pass. It is the only bipartisan effort so far. We need to keep that bipartisan spirit going.

Vote for it.

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Mr. SHAW. Madam Chairman, I yield 3 minutes to the gentleman from Connecticut [Mr. FRANKS], a distinguished member of the Committee on Commerce.

Mr. FRANKS of Connecticut. Madam Chairman, I thank the gentleman for his remarks.

Mr. TANNER. Madam Chairman, it is like Nero during the Roman Empire. We fiddle while our welfare state continues to destroy lives. In 1992 Mr. Clinton promised that he would end welfare as we know it, and he has failed to do so. The President has vetoed two bills. He has failed to present his own bill, and he expressed support for the Wisconsin bill and a Senate bill. But did not sign on to either one of them. The record of the Democratic-controlled Congress would be no better.

In my first 4 years in Congress we never even voted on a welfare reform bill.

Madam Chairman, it took Abraham Lincoln, a Republican, to end slavery. I am becoming more and more convinced that it will take a Republican-controlled Congress and a Republican President to end welfare as we know it. I proudly support the Republican plan and I strongly suggest opposition to the substitute.

Mr. TANNER. Madam Chairman, I yield myself such time as I may consume.

Madam Chairman, I thank the gentleman for his previous remarks, and would point out that our bill contains the electronic transfer provisions as well.

Madam Chairman. I yield 4 minutes to the gentleman from Texas [Mr. STENHOLM].

(Mr. STENHOLM asked and was given permission to revise and extend his remarks.)

Mr. STENHOLM. Madam Chairman, let me first begin by commending my colleagues, the gentleman from Tennessee [Mr. TANNER] and the gentleman from Delaware [Mr. CASTLE], for the tireless work they have put in on this issue. And also to my colleague, the gentleman from Florida [Mr. SHAW], for his very constructive handling of this bill. With the lone exception of the rhetoric on EITC, I have appreciated the performance of the members here toward the development on this issue.

To set the record straight one more time. I simply want to reiterate that Castle-Tanner ensures that scarce EITC dollars go to the working poor.
who need it, not to the individuals with substantial business income who do not need it. And I suspect the gentleman from Florida [Mr. SHAW] would like to see the same provision in his bill today.

Also, I do not see my friend and colleague, the chairman of the House Committee on Agriculture on the floor, but I find it very, very interesting that he would be complaining about the fact that our bill attempts to maintain indexation of housing benefits for the very poor, those who have to spend that our bill attempts to maintain indexation of housing benefits for the very poor, those who have to spend

Madam Chairman, I yield to the gentleman from California (Mr. FAZIO) and the gentleman from Delaware [Mr. CASTLE], talking about how the substitute is better on Medicaid. Again, we have made a change in our bill to satisfy the gentleman from Delaware [Mr. CASTLE] and the President. Our provision is exactly the same as the Castle-Tanner substitute, maintenance of effort. They have a consequence for really poor. By goodness, an 80 percent maintenance of effort requirement is a tough requirement.

Vouchers. Our bill provides for a 20 percent hardship exemption at the option of the States. Twenty percent of their entire caseload can be exempted from the 5-year time limit. That is a very generous exemption. You do not need vouchers and you ought not to have them. You ought to have a strict time limit with an exemption for hardship cases. That is what we do in this bill.

Food stamps, there are very strict requirements in the base bill for block grants. CBO estimates very few States will qualify.

Mr. TANNER. Madam Chairman, I yield again for the record, we do not do anything with the EITC substantively.

Madam Chairman, I yield 2 minutes to the gentleman from California [Mr. FAZIO].

Mr. FAZIO of California. Madam Chairman, we have heard a lot of talk about work requirements and where they really exist and where they are merely a sham. I argue that the Castle-Tanner bill really does the job of providing the States with the necessary funding to put welfare recipients to work.

The Republican leadership bill, as drafted, falls $12.9 billion short of the funding necessary to put people to work. The CBO, which is headed by a person appointed by the Republican leadership, has done a study. If other Members to this chart, because CBO confirms that work requirements under this bill, the Republican leadership bill, are empty promises.

CBO concludes that most States would fail to meet their requirements. They assume most States would simply accept penalties rather than implement the work requirements. In other words, the Republican bill places such a tremendous unfunded mandate on States that they would not even try to comply with the requirements to put welfare recipients to work.

Castle-Tanner provides States with the flexibility to design work programs that are appropriate for their local communities. In fact, the Republican leadership bill rejects the recommendations of the National Governors Association for State flexibility. This is an organization made up, obviously, of many, many Republican Governors, a majority of them. The NGA unanimously adopted a resolution stating:

This substitute requires States to provide vouchers for the needs of the child for families removed from welfare roles as a result of a time limit of less than 5 years, and gives States the option of providing vouchers for families cut off as a result of longer time limits. The base bill explicitly prohibits States from using block grant funds to protect innocent children from being harmed because of the mistakes of their parents.

Madam Chairman, I urge my colleagues to vote for the bipartisan, bicameral, forceful Castle-Tanner substitute, and against the final passage of the base bill in its current form.

Mr. SHAW. Madam Chairman, I yield 3 minutes to the gentleman from Louisiana [Mr. McCRARY], a most valuable member of the Committee on Ways and Means, for the record in crafting the bill before us.

Mr. McCRARY. Madam Chairman, I have a lot of things to talk about.

First of all, the issue of unfunded mandates. I have in my hand here a letter from the CBO that my dear friend, the gentleman from Texas, kept referring to, in which the CBO states clearly:

The work requirements contained in the portion of H.R. 3734 titled "Temporary Assistance for Needy Families" do not constitute an intergovernmental mandate, as defined by the Unfunded Mandates Reform Act of 1995.

So I hope that will put that to rest once and for all.

The issue of earned income tax credit. We received not too long ago a letter from the President in which he said, in listing his objections to our bill, the underlying bill on the floor today, the bill would still raise taxes on millions of working families by cutting the earned income tax credit.

Madam Chairman, in trying to satisfy the objections of the President, we have added $7 billion. We do not raise taxes any more, using the President's terminology, on working families by cutting the earned income tax credit.

Madam Chairman, in trying to satisfy the objections of the President, we have added $7 billion. We do not raise taxes any more, using the President's terminology, on working families by cutting the earned income tax credit.

The work mandate placed on the States in the base bill is not matched by financial support necessary to meet the work requirements. CBO says so, so the National Governors Association says so, and in addition to the unfunded work mandate, there is also an unfunded mandate on health care providers that will result from Medicaid changes for current welfare recipients.

The $1 billion in Medicaid will no longer be available for those recipients, and yet health care providers in our States will still be morally if not legally obligated to provide care for these people. Castle-Tanner does not have unfunded mandates. The base bill does.

Third is the matter of how our Nation treats its children. Tanner-Castle is much stronger than the Republican bill in protecting children, all children.

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"We are concerned that the Republican leadership bill restricts State flexibility and will create additional unfunded costs. To move welfare reform forward, I urge my colleagues to vote for the Castle-Tanner amendment and to support final passage of welfare reform today.

Mr. TANNER. Madam Chairman. I yield myself the balance of my time.

Mr. TANNER. Madam Chairman, I want to thank again, as I said at the outset, the co-sponsors of this legislation, in providing the necessary structure, or infrastructure, to actually put people to work. That is the whole purpose of this bill, getting people off welfare, some say off the dole, into meaningful jobs, so that they will be role models for their children.

We are better, we think, on the bipartisan Castle-Tanner bill. The American solution to me means a bipartisan solution, one that has both sides maybe cannot embrace in total but can accept.

That is really what we have tried to do, because we are honestly, sincerely, and for the other purpose, interested in changing and reforming a broken system. Everyone has spoken to that today, and that is the sole purpose for the countless hours that we have worked on this and brought it to this point.

We have tried to sail a partisan ship through this place twice this year, and it has not worked. What happens when we do that? We all fail; the White House fails, the Congress fails. It does not matter whether one is Democrat or Republican. We fail to deliver welfare reform to the American people when we insist on sailing this partisan ship through the Hall.
them, by the way, to sign a college loan by themselves. Castle-Tanner provides that the sponsor has to cosign that loan. We did not require that, because we do not consider higher education as welfare. That is part of the American dream. This is something that we desperately want to preserve.

I would tell my colleagues as members of this committee that, when we talk about harder on kids, sure, we do not provide for vouchers out of the Federal funds after 5 years. You might argue that that is hard on kids. I do not think so. We provide, however, that the States can provide 20 percent of the funding for their case load, of the Federal funds, to go beyond the 5-year work program. What does that mean? It means that, if they want to create with that 20 percent a voucher system, they can do it.

So there is virtually no difference in the two bills when you look at the practical application of what the Senator can do. But we set forth the national policy, and the national policy is that we are for now, and once and for all, going to time-limit the period of time someone can be on welfare. That is going to be the national policy.

We are going to also allow the States to craft their own bill. We are going to continue to make welfare available to noncitizens. That is a very big difference of opinion that we have here in this hall, and I respect that difference of opinion.

But soon we are going to be taking a vote. I think that is going to be most historic. When we talk about a bipartisan approach, I sincerely hope, and we have reached out to the Democrat side of the aisle in bringing Members in and talking to them. The gentleman from Michigan [Mr. Levin] has said on the floor already, he made us do it. Well, whether he made us do it or we made it, it is bipartisan, it happened, and it happened with the Democrats and Republicans coming together.

We are receptive to good ideas not only from the Republican side but from the Democrat side as well. Once the minority party is fulfilling its responsibility of criticizing legislation that is provided by the Republican side, they are fulfilling their requirement under the system in which we work. When we listen to you, we are working in a bipartisan way, and we are not getting bullied into any position.

One thing I want to answer, too, that the gentleman from Michigan [Mr. Levin] said, talked about all the rumors that are around about how we are going to cut this and that out of the bill. I can say the rumors are starting from my colleague’s side; they are not starting on our side. I do not intend to take any of those provisions out that my colleague has talked about as being rumored to come out in conference. I would hope that the other body would move to pass this bill that we could conference it and get it to the President’s desk.

I would also hope on final passage that many of the Democrats who feel strongly about welfare reform, as I do, and as the Republicans do and as the President has stated, that my colleague will join us and show support of welfare reform coming out of this body so that, when we put something on the President’s desk, we can truly say this is a bipartisan effort. This has bipartisan support, because we have worked with many of you on the Democrat side.

My colleagues have had input into this bill. I would now earnestly ask them after the substitute. support H.R. 3734.

Mrs. MALONEY. Madam Chairman, the American people do not want to hurt kids.

The Republican bill is so removed from reality. It punishes children, penalties working families, and denies benefits to virtually all legal immigrant children.

The bill would worsen poverty and hunger for 9 million innocent children by making deep cuts in benefits, especially during economic downturns by limiting the contingency fund to only $2 billion.

The Castle-Tanner substitute has an uncapped contingency fund for use during these troubling times.

Working families, who play by the rules, will see their food stamp benefit cuts by as much as 19 percent.

When you completely eliminate the Federal guarantee, those of us who work in State and city legislatures know that, given the financial pressures, poor people often fall through the cracks.

The Castle-Tanner bill provides State vouchers for needed support for families.

But the Republican bill we’re considering today would make a bad system much worse by allowing only State funds.

This Republican bill just tells defenseless children, to hell with you.

This bill won’t put people to work. According to the CBO, the bill is $10 billion short of what they need to carry out their work program.

It will put families with children out on the street.

That’s not welfare reform. It’s a blueprint for disaster.

Say yes to the reform Castle-Tanner.

Say no to this cruel and senseless bill.

Mrs. LINCOLN. Madam Chairman, today is a landmark day in congressional history.

Today we will pass needed welfare reform that will hopefully move our Nation’s low-income citizens from passively accepting a welfare check to actively earning a paycheck.

Most of my colleagues in this Chamber would agree with me that the current welfare system needs to be changed. No one should get something for nothing, and if the American people are going to be generous with their tax dollars, they should get something in return.

Madam Chairman, the bipartisan Castle-Tanner substitute, of which I am an original cosponsor, provides responsible reform through three main goals: personal responsibility, State flexibility, and work.

Personal responsibility: Under our plan, all recipients must work within 2 years of receiving benefits, with the exception of cash 5-year limit on cash assistance. Also, our plan requires teenage mothers to stay in school and live with an adult to receive assistance, and it establishes a family cap halting benefits for additional children born to welfare recipients. In addition, the bipartisan Castle-Tanner substitute holds fathers responsible for their children through strong child support enforcement.

State flexibility: Our plan provides States with the ability to design innovative welfare reform proposals within broad Federal guidelines. States can develop successful work programs that reflect the needs of their local communities, and States can deny cash assistance to teenage mothers. In addition Castle-Tanner gives States the option of providing vouchers for children or noncash emergency assistance to families in need as a result of a time limit.

Work: Unlike the Republican proposal before us today, our substitute provides the amount of funding that the Congressional Budget Office has stated is necessary to fund the work programs, thereby ensuring no unfunded mandates for our States. Our bipartisan proposal provides $4.5 billion more than the Republican measure for child care assistance to families that leave welfare for work and need child care help in order to remain employed and stay off the welfare rolls.

But most importantly, Madam Chairman, if my colleagues in the Senate had passed the reform that has the best chance of being signed into law, then I encourage support of the bipartisan Castle-Tanner substitute. It is the only proposal that the President has promised to sign.

Mrs. COLLINS of Illinois. Madam Chairman, there is an old saying “the poor will be with us always.” And another that “a person never stands so tall as when he or she bends to help a child.” When a child is poor, that child is at greater risk of being undermined and undereducated. My constituents in the Seventh District of Illinois are among the richest resources of this Committee. Therefore I support the bipartisan Castle-Tanner substitute.

As the leader of the innovative, inclusive, and compassionate social service system in Illinois, I am the longest serving African-American female Member in the history of the United States House of Representatives, and as such, I have for 23 years fought strong and sometimes bitter battles for the benefit of the vulnerable, the disenfranchised, the young, old, disabled, and poor. That is what I hope to be remembered for when I retire from this body at the end of the year.

So, I rise today with some reservations about the Tanner-Castle substitute welfare reform measure which really is a compromise for me. I do not like the idea of block granting welfare benefits, but with sufficient Federal criteria and oversight, perhaps they can work. If so, they will be the wave of the future.

This substitute requires States to enter into personal responsibility plans with parents who seek to receive this public assistance. As long as they remain in two way street, spelling out what the States’ responsibilities are as well as those of the parents’ it could possible financially protect the families. The States have asked for block grants and will be called upon to demonstrate that they can act responsibly to all vulnerable populations in a nondiscriminatory manner. My fear and recollection of contemporary history is that many of them will not.

The Tanner-Castle substitute also incorporates time limits as a widely accepted way to provide measurements toward performance for both the family receiving public assistance and the States in providing sufficient training, guidance and support—both personal and monetary.

A requirement of work is unreasonable if the person has the skills to get and perform
a meaningful job. Thus, with that requirement for work by the parent—and let's get it clear about whom we're talking: this welfare reform is for parents—the State has a considerable responsibility to provide that parent with the tools—Castle retains current and succeed in a job that pays a living wage.

I consider a living wage to include the ability to pay the family's bills: the rent, food, clothing, transportation, medical care, and child care. Without that ability, no parent now benefitting from AFDC should be made to take a job where the child is left alone, where the child does not have access to health care for a sick child, or which does not provide an insufficient food for their bellies. Let's stop making parents look like the bad guys in this debate.

A special problem has arisen because of the large number of teenage parents who are, for the most part single, and have not completed their education—and many will not. They, too, need to have a stable, dependable support system. Whether that is that teen parent's biological or substitute parent or a publicly funded shelter, should be the decision of that child-parent.

I also believe that the Federal Government must give the States to assure that those extremely vulnerable families of our "teenage kids" have alternative homes that will provide the shelter and life-skill training from which they can draw strength, skills, nurturing, and self-esteem.

There is a provision in the substitute that I strongly object to. It ties an arbitrary abortion rate within a State to an illegitimacy rate, by which a State may receive additional bonus funding. I will monitor this provision as legislation progresses through Congress to assure the States fair and honest availability to receive performance bonuses when they develop successful programs to reduce their out-of-wedlock births.

States that currently have waivers of various measures would have the option to continue under those options until the expiration of those waivers.

The Tanner-Castle substitute does have a strong child support enforcement provision. As long as we don't implement a universal and nondiscriminatory nationwide, it may succeed in providing those vulnerable single parents a valuable additional resource. I wholeheartedly agree that parents should be responsible for their children, but when short duration public assistance is needed, they are entitled to God Almighty, to a decent life.

On the issue of Medicaid eligibility, until and unless Congress can achieve meaningful health care reform to provide for universal access to health care financing, there must be Medicaid eligibility for the unemployed, uninsured families who receive public assistance. Tanner-Castle provides for national child protection funding, guidelines, and requirement.

Child protection is what this welfare reform is really supposed to be all about. It is protecting the vulnerable children of our Nation against poverty and despair, against hunger and sickness, and against fear and helplessness. I think in the past part, the Tanner-Castle substitute attempts to correct this.

Mr. POSHARD. Madam Chairman, I rise today in strong support of the Castle-Tanner Welfare Reform Act. A tough, balanced welfare reform proposal that moves able welfare recipients to work and protects children. I am a co-sponsor of this reform bill because I believe it provides States and our local communities with the resources, support, and flexibility they need to successfully move welfare recipients into the work force.

The Castle-Tanner Welfare Act requires all welfare recipients to begin work within 2 years of receiving aid and places a 5-year time limit on cash assistance. However, the plan also gives States the option of providing continued assistance to children and non-cash emergency assistance to families that have lost cash assistance as a result of a time limitation. The bill further requires that minor mothers must stay in school and live with an adult in order to receive assistance, and stops additional benefits for additional children born to individuals on welfare. In addition, the Castle-Tanner plan rewards States that are able to reduce illegitimacy without increasing the abortion rate. The bill also holds fathers responsible for their children through strong child support enforcement.

The Congressional Budget Office [CBO] estimated that the Republican welfare reform proposal, which we are also considering today, would fall nearly $13 billion below the funding level necessary to meet the work requirements outlined in the public bill, and $800 million short of the necessary funds to provide child care assistance to individuals who are required to work.

The Castle-Tanner plan ensures that States would be able to meet the work requirements in the bill by providing $3 billion, over the Republican plan, in additional mandatory funds they can access in order to meet the costs of moving welfare recipients to work. In addition, this plan gives more flexibility to States in meeting the bill's work requirements. The Castle-Tanner plan gives States the opportunity and the resources to meet the goals all of us support.

CBO has estimated the Castle-Tanner plan contains enough mandatory funding to provide child care assistance to all welfare recipients who need such assistance in order to comply with the work requirements in the bill. The additional funds contained in this plan for transitional and at-risk child care will give States an important tool in preventing individuals from returning to welfare.

I am also concerned with the fact that the Republican welfare measure would cut food stamp funding by $23 billion or 19 percent by converting the program into a block grant. Instead, the Castle-Tanner plan maintains the national food stamp program, requires States to provide vouchers for children in families cut off as a result of the 5-year time limit. It also places controls on the food stamp safety net and does not allow food stamps to be converted into a block grant. Its humane immigration provisions would exempt children from the food stamp ban and exempt disabled children from the $S1 ban.

I have been working with the Congressional Caucus for Women's Issues for many years to enact child support reform that will finally crack down on deadbeat parents by enacting penalties with real teeth and establishing Federal registries to help track deadbeats. This substitute contains these critical provisions.

Mr. CRAMER. Madam Chairman, I am pleased that H.R. 3734 contains so many substantial changes to the House-passed bill and the conference report. The Castle-Tanner substitute, however, is our best opportunity yet to enact welfare reform that moves people from welfare to work while protecting children. I urge my colleagues to join me in supporting the Castle-Tanner substitute.

Mr. CRAMER. Madam Chairman, do we want welfare reform? That is the bottom line here today. The Castle-Tanner bill is a bipartisan bill. It shares and improves upon the leadership's ideas on how to restructure our welfare system that has become a burned-out, broken-down bureaucracy. Like the leadership's bill, Castle-Tanner creates a single cash welfare block grant to replace the current AFDC, JOBS and Emergency Assistance programs. It requires recipients to work within 2 years and limits benefits.
to 5 years. Castle-Tanner requires able-bodied individuals with no dependents between the ages of 18 to 50 to participate in a work program in order to receive food stamps. It requires minor mothers to stay in school and live with an adult to receive assistance. In addition, Castle-Tanner creates a $2 billion contingency fund for States to meet their need in time of recession.

In this era of giving the States more responsibility, Castle-Tanner honors the Governor's request for greater flexibility. The leadership's bill, however, rejects the Governor's request. The Nation's Governors Association says "the bill greatly restricts States' flexibility and will result in increased, unfunded costs for States, while undermining States ability to implement effective welfare reform programs. CBO estimates the leadership's bill would fall $12.9 billion short of the funding needed to meet the work requirements under their measure. Castle-Tanner remedies this by providing States necessary help in implementing their work programs.

I have focused much of my work in Congress on helping our children. One of the most important additions to the leadership's bill is Castle-Tanner's protection of our Nation's children. States must be able to provide for the needs of children. Castle-Tanner requires workshops for those whose families lose cash assistance as a result of a State time limit less than 5 years. Castle-Tanner contains sufficient child care assistance for mothers participating in work programs and provides additional child care assistance for working poor families in jeopardy of losing employment if child care assistance is not provided. Fathers are held responsible for the care of their children through strong child support enforcement provisions. Unfortunately, CBO estimates the leadership's bill would fall $800 million short of the child care funds necessary to meet the legislation's work requirements and maintain current levels of spending on transitional and non-transitional child care.

We must permanently erase the current, broken welfare state. To do this, we must ensure people are able to move into the workforce and enable them to stay there. Castle-Tanner does this while at the same time preserving the most sacred of American values—the family. The working poor should not be required to choose between caring for their children and the opportunity to be productive, working members of our society.

The CHAIRMAN. All time for debate on this amendment has expired.

The question is on the amendment in the nature of a substitute offered by the gentleman from Tennessee [Mr. Tauzin].

The question was taken; and the Chairman announced that the noes appeared to have carried.

RECORDED VOTE
Mr. TANNER. Madam Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—aye, 168, noes 258, not voting 8, as follows:

[Roll No. 129]

AYES—168

Berman
Bevill
Bilbo
Blumenauer
Bono
Borkowski
Boucher
Brown (CA)
Brown (FL)
Bryant (TX)
Cardin
Castle
Chapman
Clay
Clayton
Claymont
Clyburn
Collins (IL)
Collins (MI)
Condit
Conyers
Diaz-Balart
Danner
Davis
DeFazio
DeLauro
Dicks
Dingell
Dixon
Doggett
Dooley
Dorgan
Durbin
Edwards
Eshoo
Evans
Farr
Fattah
Feinstein
Flake
Fleming
Fonseca
Furse
Gephardt
Gerritson

Gibbons
Gilman
Gordon
Green (TX)
Greenwood
Hagel
Haiti (TX)
Hamilton
Hanson
Hefner
Monkony
Norton
Hoyer
Jackson-Lee
Jenkins
Jacobs
Johnson (SD)
Johnson (E., B.)
Johnson
Johnston
Kasolos
Kennedy (MA)
Kennelly
Kildee
Kleistka
Klink
LaFalce
Lantos
Levin
Lewis (GA)
Lipinski
Lowey
Lujan
Manton
McFadden
Mcauliffe
McCaskey
McHale
McIntosh
Mehlan
Mendelsohn
McNulty
McNulty
Meehan
McKee
McKee
McMillan
McMullan
Magen
Magen
Crawford

Murtha
Neal
Oberstar
Olver
Ortiz
Osco
Palin
Payne (VA)
Pelegrin
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Posner
Posse
Rangel
Reed
Rivers
Roemer
Roemke
Rokoska
Sablo
Sawyer
Schroeder
Schumer
Sissy
Skaggs
Skelton
Spratt
Studds
Stupak
Taylor (MS)
Thurman
Torkildsen
Torriccio
Traficant
Vento
Visclosky
Volcker
Ward
Watson
Watson (DK)
Weldon (FL)
Woolsey
Wynn

Yates

NOES—258

Allard
Archer
Armey
Basehous
Baker (CA)
Baker (LA)
Baird
Bilbray
Bilirakis
Billey
Blackman
Blatn
Blanche
Blanche
Boehner
Boneill
Breault
Brown (KY)
Brown (TN)
Barton
Barrett
Bass
Batemann
Bearrera
Bereuter
Billhray
Bilirakis
Billey
Black
Blumenthal
Boehner
Bonilla
Bonpan
Bono
Brownback
Bryant (TN)
Bunning
Burke
Burlington
Callahan
Calvert
Camp
Campbell
Canady
Chabot
Chambliss
Cheatham
Christensen
Chrysler
Clinger
Coble
Coburn

Gekas
Gilchrist
Gillmor
Gingrich
Gonzalez
Goodlatte
Gooding
Graham
Greene (G.)
Gutierrez
Gutknecht
Hancoc
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefel
Heineman
Hersger
Hillery
Hilliard
Hobson
Hoeppner
Hoke
Horn
Hoschler
Houghton
Hunter
Humphson
Huyde
Inglis
Israel
Jackson (IL)
Jefferson
Johnson (CT)
Johnson, Sam
Johnson
Johnson
Kennedy (RI)

Kim
King
Kingston
Klug
Knollenberg
LaHood
Largent
LaTourette
Laughlin
Leach
Lewis (CA)
Lewis (NY)
Lightfoot
Linder
Livingston
Long
Long
Lucas
Manuel
Martinez
Martin
McCormack
McGrath
Melinis
Menendez
Metcalf
Mexico
Mica
Miller (FL)
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Mitchell
Moynihan
Morse
Munoz
Musgrave

Neumann
Ney
Nethercutt
Norwood
Owens
Osley
Parker
Pastor
Paxton
Payne (N.J.)
Peoples
Pombo
Portman
Pryce
Quillen
Rainey
Rahall
Ramstad
Regula
Richardson
Riggs
Robert
Rogers
Rohrabacher
Ross-Lehtinen
Rubenstein
Rush
Salts
Sander
Sarmiento
Sanford
Saxton
Scarborough
Scheaffer
Seastrand
Sensenbrenner
Serrano
Shadegg
Shaw
Shimkus
Shockey
Sikes
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stark
Stearns
Stockman
Stokes
Stump
Talent
Tate
Tatum
Taylor (N.C.)
Tejeda
Thomas
Thompson
Thornerby
Tiahrt
Torres
Towns

Velasquez
Vucovich
Walker
Walmsley
Wamp
Waterman
Waters
Waxman
Weldon (FL)
Weller
Whitefield
Wicker
Wolf
Young (AK)
Zelliff
Zimmer

NOT VOTING—8

del la Garza
McDade
McDermott
Meehan
Meek
McMurray
Miller (CA)
Miller (NY)
Morgan
Moser

Packard

1545

The Clerk announced the following pairs:

On this vote:
Mrs. Lincoln for, with Mr. Forbes against.
Mr. Miller of California for, with Mr. Packard against.

Mr. GONZALEZ and Mr. HILLIARD changed their vote from "aye" to "no".
Mrs. COLLINS of Illinois, Mr. FOGLIETTA, and Mr. GILMAN changed their vote from "no" to "aye".

So the amendment in the nature of a substitute was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. ARMLEY) having assumed the chair, Ms. GREENE of Utah, chairman of the Committee of the Whole on the State of the Union, reported that the Committee, having had under consideration the bill, (H.R. 3734), to provide for reconciliation pursuant to section 2(a)(1) of the concurrent resolution on the budget for fiscal year 1997, pursuant to House Resolution 482, as amended by the action of this rule, she reported the bill back to the House with a further amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered to the second reading.

The question is on the further amendment.

The further amendment was agreed to.
The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

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

MOTION TO RECOMMIT OFFERED BY MR. TANNER

Mr. TANNER. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. The gentleman opposed to the bill?

Mr. BUNN. Mr. Speaker, I oppose the motion to recommit.

Mr. TANNER. Mr. Speaker, I demand a recorded vote.

The vote was taken by electronic device, and there were—ayes 203, noes 220, not voting 10, as follows:

[Roll No. 330] AYES—203

Abercrombie
Ackerman
Adams
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Andrews
Baxley
Baucus
Barrett (WI)
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AYES—203

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AYES—203

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Eshoo
Evans

AYES—203
On this vote:
Mrs. Lincoln for, with Mr. Packard against.
Mr. Miller of California for, with Mr. Schiff against.
So the motion to recommit was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION
Mr. McINTOSH. Mr. Speaker, on rollcall No. 330, it was unanimously decided that had I been present, I would have voted "no."

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

RECORDED VOTE
Mr. SHAW. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 256, noes 170, not voting 8, as follows:

AYES—256

[Roll No. 331]

NOES—170

CONGRESSIONAL RECORD—HOUSE
July 18, 1996

H7989

The Clerk announced the following pairs:

Mrs. Lincoln, with Mr. Miller of California against.

□ 1612

The Clerk announced the following pairs:

Mrs. Lincoln, with Mr. Miller of California against.

NOT VOTING—10

Mme. del Casas

FORBES

PACKARD

NOT VOTING—8

Schiff

McDade

Miller (FL)

Not VOTING—8

Taylor (NC)

Packard

McDade

Miller (FL)

FORBES

Lincoln

NOT VOTING—10

Thornton

Packard

McDade

Miller (FL)

FORBES

Lincoln

NOT VOTING—8

Taylor (NC)

Packard

McDade

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Miller (FL)
Mr. BECERRA changed his vote from "aye" to "no.
Mr. BISHOP changed his vote from "no" to "aye.
So the bill was passed.

The Yeas and Nays were ordered to be printed, and a motion to reconsider was laid on the table.

GENERAL LEAVE
Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the legislation just concluded.

The SPEAKER pro tempore (Mr. BARTON of Texas). Is there objection to the request of the gentleman from Florida?
There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 1462
Mr. STEARNS. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor from H.R. 1462, due to my concerns that it allows the NIH to expand its research using tissue from aborted babies.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?
There was no objection.

TEAMWORK FOR EMPLOYEES AND MANAGERS ACT OF 1995
Mr. GOODLING. Mr. Speaker, I ask unanimous consent to take from the Speaker's table 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, with a Senate amendment thereto, and to concur in the Senate amendment.

The Clerk read the title of the bill. The Clerk read the Senate amendment, as follows:

Senate amendment: Strike out after the enacting clause and insert:

SEC. 1. SHORT TITLE.
This Act may be cited as the "Teamwork for Employees and Managers Act of 1995".

SEC. 2 FINDINGS AND PURPOSES.
(a) FINDINGS.—Congress finds that—
(1) The escalating demands of global competition have required an increasing number of employers in the United States to make dramatic changes in workplace and employer-employee relationships:
(2) such changes involve an enhanced role for the employee in workplace decisionmaking, often referred to as "Employee Involvement", which has taken many forms, including self-managed work teams, quality-of-worklife programs, employee assistance and joint labor-management committees;
(3) Employee Involvement programs, which operate successfully in both unionized and nonunionized settings, have been established by over 80 percent of the largest employers in the United States and exist in an estimated 30,000 workplaces;

(b) PURPOSES.—The purpose of this Act is—
(1) to protect legitimate Employee Involvement programs against governmental interference;
(2) to preserve existing protections against coercive employer practices: and
(3) to allow legitimate Employee Involvement programs, which workers may discuss issues involving terms and conditions of employment, to continue to evolve and proliferate.

SEC. 3 EMPLOYER EXCEPTION.
Section 8(a)(2) of the National Labor Relations Act is amended by striking the semicolon and inserting the following: "; Provided further: That it shall not constitute or be deemed evidence of an unfair labor practice under this paragraph for an employer to establish, assist, maintain, or participate in any organization or entity of any kind, in which employees who participate to at least the same extent practicable as representatives of management participate, to address matters of mutual interest, including, but not limited to, issues of quality, productivity, efficiency, and safety and health, and which does not have, claim, or seek authority to be the exclusive bargaining representatives of the employees or to negotiate or enter into collective bargaining agreements with the employer or to amend existing collective bargaining agreements between the employer and any labor organization, except that in a case in which a labor organization is the representative of such employees as provided in section 9(a), this proviso shall not apply.

SEC. 4 LIMITATION ON EFFECT OF ACT.
Nothing in this Act shall affect employee right as guaranteed by existing provisions of the Act.

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that the Senate amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?
There was no objection.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION
Mr. BONO. Mr. Speaker, yesterday on July 17, 1996, I was unavoidably detained and missed rollcall vote 323, for final passage of the Treasury. Postal appropriations bill, H.R. 3756.

Had I been present, I certainly would have voted in support of its passage.

LEGISLATIVE PROGRAM
Mr. BONIOR. Mr. Speaker, asked and was given permission to address the House for 1 minute.

Mr. BONIOR. Mr. Speaker, I ask the distinguished gentleman from Pennsylvania [Mr. WALKER], what the schedule will be for the rest of the week and for the following week.

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