105TH CONGRESS
1st Session
HOUSE OF REPRESENTATIVES
REPT. 105–78
Part 1

WELFARE REFORM TECHNICAL CORRECTIONS ACT OF 1997

APRIL 28, 1997.—Ordered to be printed

Mr. ARCHER, from the Committee on Ways and Means, submitted the following

REPORT

[To accompany H.R. 1048]

[Including cost estimate of the Congressional Budget Office]

The Committee on Ways and Means, to whom was referred the bill (H.R. 1048) to make technical amendments relating to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

CONTENTS

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Welfare Reform Technical Corrections Act of 1997".

SEC. 2. TABLE OF CONTENTS.

The table of contents of this Act is as follows:

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE TO NEEDY FAMILIES

SEC. 101. AMENDMENT OF THE SOCIAL SECURITY ACT.

Except as otherwise expressly provided, wherever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of a section or other provision, the reference shall be considered to be made to a section or other provision of the Social Security Act, and if the section or other provision is of part A of title IV of such Act, the reference shall be considered to be made to the section or other provision as amended by section 103, and as in effect pursuant to section 116, of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

SEC. 102. ELIGIBLE STATES; STATE PLAN.

(a) LATER DEADLINE FOR SUBMISSION OF STATE PLANS.—Section 402(a) (42 U.S.C. 602(a)) is amended by striking "2-year period immediately preceding" and inserting "27-month period ending with the close of the 1st quarter of".

(b) CLARIFICATION OF SCOPE OF WORK PROVISIONS.—Section 402(a)(1)(A)(ii) (42 U.S.C. 602(a)(1)(A)(ii)) is amended by inserting ", consistent with section 407(e)(2)" before the period.

(c) CORRECTION OF CROSS-REFERENCE.—Section 402(a)(1)(A)(v) (42 U.S.C. 602(a)(1)(A)(v)) is amended by striking "403(a)(2)(B)" and inserting "403(a)(2)(C)(iii)".

(d) NOTIFICATION OF PLAN AMENDMENTS.—Section 402 (42 U.S.C. 602) is amended—

(1) by redesignating subsection (b) as subsection (c) and inserting after subsection (a) the following:

"(b) PLAN AMENDMENTS.—Within 30 days after a State amends a plan submitted pursuant to subsection (a), the State shall notify the Secretary of the amendment."; and

(2) in subsection (c) (as so redesignated), by inserting "or plan amendment" after "plan".

SEC. 103. GRANTS TO STATES.

(a) BONUS FOR DECREASE IN ILLEGITIMACY MODIFIED TO TAKE ACCOUNT OF CERTAIN TERRITORIES.—

(1) IN GENERAL.—Section 403(a)(2)(B) (42 U.S.C. 603(a)(2)(B)) is amended to read as follows:

"(B) AMOUNT OF GRANT.—

"(i) IN GENERAL.—If, for a bonus year, none of the eligible States is Guam, the Virgin Islands, or American Samoa, then the amount of the grant shall be—

"(I) $20,000,000 if there are 5 eligible States; or

"(II) $25,000,000 if there are fewer than 5 eligible States.

"(ii) AMOUNT IF CERTAIN TERRITORIES ARE ELIGIBLE.—If, for a bonus year, Guam, the Virgin Islands, or American Samoa is an eligible State, then the amount of the grant shall be—

"(I) in the case of such a territory, 25 percent of the mandatory ceiling amount (as defined in section 1108(c)(4)) with respect to the territory; and

"(II) in the case of a State that is not such a territory—

"(aa) if there are 5 eligible States other than such territories, $20,000,000, minus ⅕ of the total amount of the grants payable under this paragraph to such territories for the bonus year; or

"(bb) if there are fewer than 5 such eligible States, $25,000,000, or such lesser amount as may be necessary to ensure that the total amount of grants payable under this paragraph for the bonus year does not exceed $100,000,000.".

(2) CERTAIN TERRITORIES TO BE IGNORED IN RANKING OTHER STATES.—Section 403(a)(2)(C)(i)(I)(aa) (42 U.S.C. 603(a)(2)(C)(i)(I)(aa)) is amended by adding at the end the following: "In the case of a State that is not a territory specified in subparagraph (B), the comparative magnitude of the decrease for the State shall be determined without regard to the magnitude of the corresponding decrease for any such territory.".

(b) COMPUTATION OF BONUS BASED ON RATIOS OF OUT-OF-WEDLOCK BIRTHS TO ALL BIRTHS INSTEAD OF NUMBERS OF OUT-OF-WEDLOCK BIRTHS.—Section 403(a)(2) (42 U.S.C. 603(a)(2)) is amended—

(1) in the paragraph heading, by inserting "RATIO" before the period;

(2) in subparagraph (A), by striking all that follows "bonus year" and inserting a period; and

(3) in subparagraph (C)—

(A) in clause (i)—

(i) in subclause (I)(aa)—

(I) by striking "number of out-of-wedlock births that occurred in the State during" and inserting "illegitimacy ratio of the State for"; and

(II) by striking "number of such births that occurred during" and inserting "illegitimacy ratio of the State for"; and

(ii) in subclause (II)(aa)—

(I) by striking "number of out-of-wedlock births that occurred in" each place such term appears and inserting "illegitimacy ratio of"; and

(II) by striking "calculate the number of out-of-wedlock births" and inserting "calculate the illegitimacy ratio"; and

(B) by adding at the end the following:

"(iii) ILLEGITIMACY RATIO.—The term 'illegitimacy ratio' means, with respect to a State and a period—

"(I) the number of out-of-wedlock births to mothers residing in the State that occurred during the period; divided by

"(II) the number of births to mothers residing in the State that occurred during the period.".

(c) USE OF CALENDAR YEAR DATA INSTEAD OF FISCAL YEAR DATA IN CALCULATING BONUS FOR DECREASE IN ILLEGITIMACY RATIO.—Section 403(a)(2)(C) (42 U.S.C. 603(a)(2)(C)) is amended—

(1) in clause (i)—

(A) in subclause (I)(bb)—

(i) by striking "the fiscal year" and inserting "the calendar year for which the most recent data are available"; and

(ii) by striking "fiscal year 1995" and inserting "calendar year 1995";

(B) in subclause (II), by striking "fiscal" each place such term appears and inserting "calendar"; and

(2) in clause (ii), by striking "fiscal years" and inserting "calendar years".

(d) CORRECTION OF HEADING.—Section 403(a)(3)(C)(ii) (42 U.S.C. 603(a)(3)(C)(ii)) is amended in the heading by striking "1997" and inserting "1998".

(e) CLARIFICATION OF CONTINGENCY FUND PROVISION.—Section 403(b) (42 U.S.C. 603(b)) is amended—

(1) in paragraph (6), by striking "(5)" and inserting "(4)";

(2) by striking paragraph (4) and redesignating paragraphs (5) and (6) as paragraphs (4) and (5), respectively; and

(3) by inserting after paragraph (5) the following:

"(6) ANNUAL RECONCILIATION.—

"(A) IN GENERAL.—Notwithstanding paragraph (3), if the Secretary makes a payment to a State under this subsection in a fiscal year, then the State shall remit to the Secretary, within 1 year after the end of the first subse-

quent period of 3 consecutive months for which the State is not a needy State, an amount equal to the amount (if any) by which—

"(i) the total amount paid to the State under paragraph (3) of this subsection in the fiscal year; exceeds

"(ii) the product of—

"(I) the Federal medical assistance percentage for the State (as defined in section 1905(b), as such section was in effect on September 30, 1995);

"(II) the State's reimbursable expenditures for the fiscal year; and

"(III) 1/12 times the number of months during the fiscal year for which the Secretary made a payment to the State under such paragraph (3).

"(B) DEFINITIONS.—As used in subparagraph (A):

"(i) REIMBURSABLE EXPENDITURES.—The term 'reimbursable expenditures' means, with respect to a State and a fiscal year, the amount (if any) by which—

"(I) countable State expenditures for the fiscal year; exceeds

"(II) historic State expenditures (as defined in section 409(a)(7)(B)(iii)), excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994.

"(ii) COUNTABLE STATE EXPENDITURES.—The term 'countable expenditures' means, with respect to a State and a fiscal year—

"(I) the qualified State expenditures (as defined in section 409(a)(7)(B)(i) (other than the expenditures described in subclause (I)(bb) of such section)) under the State program funded under this part for the fiscal year; plus

"(II) any amount paid to the State under paragraph (3) during the fiscal year that is expended by the State under the State program funded under this part.".

(f) ADMINISTRATION OF CONTINGENCY FUND TRANSFERRED TO THE SECRETARY OF HHS.—Section 403(b)(7) (42 U.S.C. 603(b)(7)) is amended to read as follows:

"(7) STATE DEFINED.—As used in this subsection, the term 'State' means each of the 50 States and the District of Columbia.".

SEC. 104. USE OF GRANTS.

Section 404(a)(2) (42 U.S.C. 604(a)(2)) is amended by inserting ", or (at the option of the State) August 21, 1996" before the period.

SEC. 105. MANDATORY WORK REQUIREMENTS.

(a) FAMILY WITH A DISABLED PARENT NOT TREATED AS A 2-PARENT FAMILY.—Section 407(b)(2) (42 U.S.C. 607(b)(2)) is amended by adding at the end the following:

"(C) FAMILY WITH A DISABLED PARENT NOT TREATED AS A 2-PARENT FAMILY.—A family that includes a disabled parent shall not be considered a 2-parent family for purposes of subsections (a) and (b) of this section.".

(b) CORRECTION OF HEADING.—Section 407(b)(3) (42 U.S.C. 607(b)(3)) is amended in the heading by inserting "AND NOT RESULTING FROM CHANGES IN STATE ELIGIBILITY CRITERIA" before the period.

(c) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL WORK PROGRAM IN PARTICIPATION RATE CALCULATION.—Section 407(b)(4) (42 U.S.C. 607(b)(4)) is amended—

(1) in the heading, by inserting "OR TRIBAL WORK PROGRAM" before the period; and

(2) by inserting "or under a tribal work program to which funds are provided under this part" before the period.

(d) SHARING OF 35-HOUR WORK REQUIREMENT BETWEEN PARENTS IN 2-PARENT FAMILIES.—Section 407(c)(1)(B) (42 U.S.C. 607(c)(1)(B)) is amended—

(1) in clause (i)—

(A) by striking "is" and inserting "and the other parent in the family are"; and

(B) by inserting "a total of" before "at least"; and

(2) in clause (ii)—

(A) by striking "individual's spouse is" and inserting "individual and the other parent in the family are";

(B) by inserting "for a total of at least 55 hours per week" before "during the month"; and

(C) by striking "20" and inserting "50".

(e) CLARIFICATION OF EFFORT REQUIRED IN WORK ACTIVITIES.—Section 407(c)(1)(B) (42 U.S.C. 607(c)(1)(B)) is amended by striking "making progress" each place such term appears and inserting "participating".

(f) ADDITIONAL CONDITION UNDER WHICH 12 WEEKS OF JOB SEARCH MAY COUNT AS WORK.—Section 407(c)(2)(A)(i) (42 U.S.C. 607(c)(2)(A)(i)) is amended by inserting "or the State is a needy State (within the meaning of section 403(b)(6))" after "United States".

(g) CARETAKER RELATIVE OF CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK REQUIREMENTS IF ENGAGED IN WORK FOR 20 HOURS PER WEEK.—Section 407(c)(2)(B) (42 U.S.C. 607(c)(2)(B)) is amended—

(1) in the heading, by inserting "OR RELATIVE" after "PARENT" each place such term appears; and

(2) by striking "in a 1-parent family who is the parent" and inserting "who is the only parent or caretaker relative in the family".

(h) EXTENSION TO MARRIED TEENS OF RULE THAT RECEIPT OF SUFFICIENT EDUCATION IS ENOUGH TO MEET WORK PARTICIPATION REQUIREMENTS.—Section 407(c)(2)(C) (42 U.S.C. 607(c)(2)(C)) is amended—

(1) in the heading, by striking "TEEN HEAD OF HOUSEHOLD" and inserting "SINGLE TEEN HEAD OF HOUSEHOLD OR MARRIED TEEN"; and

(2) by striking "a single" and inserting "married or a".

(i) CLARIFICATION OF NUMBER OF HOURS OF PARTICIPATION IN EDUCATION DIRECTLY RELATED TO EMPLOYMENT THAT ARE REQUIRED IN ORDER FOR SINGLE TEEN HEAD OF HOUSEHOLD OR MARRIED TEEN TO BE DEEMED TO BE ENGAGED IN WORK.—Section 407(c)(2)(C)(ii) (42 U.S.C. 607(c)(2)(C)(ii)) is amended by striking "at least" and all that follows through "subsection" and inserting "an average of at least 20 hours per week during the month".

(j) CLARIFICATION OF REFUSAL TO WORK FOR PURPOSES OF WORK PENALTIES FOR INDIVIDUALS.—Section 407(e)(2) (42 U.S.C. 607(e)(2)) is amended by striking "work" and inserting "engage in work required in accordance with this section".

SEC. 106. PROHIBITIONS; REQUIREMENTS.

(a) ELIMINATION OF REDUNDANT LANGUAGE; CLARIFICATION OF HOME RESIDENCE REQUIREMENT.—Section 408(a)(1) (42 U.S.C. 608(a)(1)) is amended to read as follows:

"(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 minor child who resides with the family (consistent with paragraph (10)) or a pregnant individual.".

(b) CLARIFICATION OF TERMINOLOGY.—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amended—

(1) by striking "leaves" the 1st, 3rd, and 4th places such term appears and inserting "ceases to receive assistance under"; and

(2) by striking "the date the family leaves the program" the 2nd place such term appears and inserting "such date".

(c) ELIMINATION OF SPACE.—Section 408(a)(5)(A)(ii) (42 U.S.C. 608(a)(5)(A)(ii)) is amended by striking "DESCRIBED.— For" and inserting "DESCRIBED.—For".

(d) CORRECTIONS TO 5-YEAR LIMIT ON ASSISTANCE.—

(1) CLARIFICATION OF LIMITATION ON HARDSHIP EXEMPTION.—Section 408(a)(7)(C)(ii) (42 U.S.C. 608(a)(7)(C)(ii)) is amended—

(A) by striking "The number" and inserting "The average monthly number"; and

(B) by inserting "during the fiscal year or the immediately preceding fiscal year (but not both), as the State may elect" before the period.

(2) RESIDENCE EXCEPTION MADE MORE UNIFORM AND EASIER TO ADMINISTER.—Section 408(a)(7)(D) (42 U.S.C. 608(a)(7)(D)) is amended to read as follows:

"(D) DISREGARD OF MONTHS OF ASSISTANCE RECEIVED BY ADULT WHILE LIVING IN INDIAN COUNTRY OR AN ALASKAN NATIVE VILLAGE WITH 50 PERCENT UNEMPLOYMENT.—

"(i) IN GENERAL.—In determining the number of months for which an adult has received assistance under a State or tribal program funded under this part, the State or tribe shall disregard any month during which the adult lived in Indian country or an Alaskan Native village if the most reliable data available with respect to the month (or a period including the month) indicate that at least 50 percent of the adults living in Indian country or in the village were not employed.

"(ii) INDIAN COUNTRY DEFINED.—As used in clause (i), the term 'Indian country' has the meaning given such term in section 1151 of title 18, United States Code.".

(e) REINSTATEMENT OF DEEMING AND OTHER RULES APPLICABLE TO ALIENS WHO ENTERED THE UNITED STATES UNDER AFFIDAVITS OF SUPPORT FORMERLY USED.—Section 408 (42 U.S.C. 608) is amended by striking subsection (d) and inserting the following:

"(d) SPECIAL RULES RELATING TO TREATMENT OF CERTAIN ALIENS.—For special rules relating to the treatment of certain aliens, see title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

"(e) SPECIAL RULES RELATING TO THE TREATMENT OF NON-213A ALIENS.—The following rules shall apply if a State elects to take the income or resources of any sponsor of a non-213A alien into account in determining whether the alien is eligible for assistance under the State program funded under this part, or in determining the amount or types of such assistance to be provided to the alien:

"(1) DEEMING OF SPONSOR'S INCOME AND RESOURCES.—For a period of 3 years after a non-213A alien enters the United States:

"(A) INCOME DEEMING RULE.—The income of any sponsor of the alien and of any spouse of the sponsor is deemed to be income of the alien, to the extent that the total amount of the income exceeds the sum of—

"(i) the lesser of—

"(I) 20 percent of the total of any amounts received by the sponsor or any such spouse in the month as wages or salary or as net earnings from self-employment, plus the full amount of any costs incurred by the sponsor and any such spouse in producing self-employment income in such month; or

"(II) $175;

"(ii) the cash needs standard established by the State for purposes of determining eligibility for assistance under the State program funded under this part for a family of the same size and composition as the sponsor and any other individuals living in the same household as the sponsor who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability but whose needs are not taken into account in determining whether the sponsor's family has met the cash needs standard;

"(iii) any amounts paid by the sponsor or any such spouse to individuals not living in the household who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability; and

"(iv) any payments of alimony or child support with respect to individuals not living in the household.

"(B) RESOURCE DEEMING RULE.—The resources of a sponsor of the alien and of any spouse of the sponsor are deemed to be resources of the alien to the extent that the aggregate value of the resources exceeds $1,500.

"(C) SPONSORS OF MULTIPLE NON-213A ALIENS.—If a person is a sponsor of 2 or more non-213A aliens who are living in the same home, the income and resources of the sponsor and any spouse of the sponsor that would be deemed income and resources of any such alien under subparagraph (A) shall be divided into a number of equal shares equal to the number of such aliens, and the State shall deem the income and resources of each such alien to include 1 such share.

"(2) INELIGIBILITY OF NON-213A ALIENS SPONSORED BY AGENCIES; EXCEPTION.—A non-213A alien whose sponsor is or was a public or private agency shall be ineligible for assistance under a State program funded under this part, during a period of 3 years after the alien enters the United States, unless the State agency administering the program determines that the sponsor either no longer exists or has become unable to meet the alien's needs.

"(3) INFORMATION PROVISIONS.—

"(A) DUTIES OF NON-213A ALIENS.—A non-213A alien, as a condition of eligibility for assistance under a State program funded under this part during the period of 3 years after the alien enters the United States, shall be required to provide to the State agency administering the program—

"(i) such information and documentation with respect to the alien's sponsor as may be necessary in order for the State agency to make any determination required under this subsection, and to obtain any cooperation from the sponsor necessary for any such determination; and

"(ii) such information and documentation as the State agency may request and which the alien or the alien's sponsor provided in support of the alien's immigration application.

"(B) DUTIES OF FEDERAL AGENCIES.—The Secretary shall enter into agreements with the Secretary of State and the Attorney General under which

any information available to them and required in order to make any determination under this subsection will be provided by them to the Secretary (who may, in turn, make the information available, upon request, to a concerned State agency).

"(4) NON-213A ALIEN DEFINED.—An alien is a non-213A alien for purposes of this subsection if the affidavit of support or similar agreement with respect to the alien that was executed by the sponsor of the alien's entry into the United States was executed other than pursuant to section 213A of the Immigration and Nationality Act.

"(5) INAPPLICABILITY TO ALIEN MINOR SPONSORED BY A PARENT.—This subsection shall not apply to an alien who is a minor child if the sponsor of the alien or any spouse of the sponsor is a parent of the alien.

"(6) INAPPLICABILITY TO CERTAIN CATEGORIES OF ALIENS.—This subsection shall not apply to an alien who is—

"(A) admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

"(B) paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year; or

"(C) granted political asylum by the Attorney General under section 208 of such Act.".

SEC. 107. PENALTIES.

(a) STATES GIVEN MORE TIME TO FILE QUARTERLY REPORTS.—Section 409(a)(2)(A) (42 U.S.C. 609(a)(2)(A)) is amended by striking "1 month" and inserting "45 days".

(b) TREATMENT OF SUPPORT PAYMENTS PASSED THROUGH TO FAMILIES AS QUALIFIED STATE EXPENDITURES.—Section 409(a)(7)(B)(i)(I)(aa) (42 U.S.C. 609(a)(7)(B)(i)(I)(aa)) is amended by inserting ", including any amount collected by the State as support pursuant to a plan approved under part D, on behalf of a family receiving assistance under the State program funded under this part, that is distributed to the family under section 457(a)(1)(B) and disregarded in determining the eligibility of the family for, and the amount of, such assistance" before the period.

(c) DISREGARD OF EXPENDITURES MADE TO REPLACE PENALTY GRANT REDUCTIONS.—Section 409(a)(7)(B)(i) (42 U.S.C. 609(a)(7)(B)(i)) is amended by redesignating subclause (III) as subclause (IV) and by inserting after subclause (II) the following:

"(III) EXCLUSION OF AMOUNTS EXPENDED TO REPLACE PENALTY GRANT REDUCTIONS.—Such term does not include any amount expended in order to comply with paragraph (12).".

(d) TREATMENT OF FAMILIES OF CERTAIN ALIENS AS ELIGIBLE FAMILIES.—Section 409(a)(7)(B)(i)(IV) (42 U.S.C. 609(a)(7)(B)(i)(IV)), as so redesignated by subsection (c) of this section, is amended—

(1) by striking "and families" and inserting "families"; and

(2) by striking "Act or section 402" and inserting "Act, and families of aliens lawfully present in the United States that would be eligible for such assistance but for the application of title IV".

(e) ELIMINATION OF MEANINGLESS LANGUAGE.—Section 409(a)(7)(B)(ii) (42 U.S.C. 609(a)(7)(B)(ii)) is amended by striking "reduced (if appropriate) in accordance with subparagraph (C)(ii)".

(f) CLARIFICATION OF SOURCE OF DATA TO BE USED IN DETERMINING HISTORIC STATE EXPENDITURES.—Section 409(a)(7)(B) (42 U.S.C. 609(a)(7)(B)) is amended by adding at the end the following:

"(v) SOURCE OF DATA.—In determining expenditures by a State for fiscal years 1994 and 1995, the Secretary shall use information which was reported by the State on ACF Form 231 or (in the case of expenditures under part F) ACF Form 331, available as of the dates specified in clauses (ii) and (iii) of section 403(a)(1)(D).".

(g) CLARIFICATION OF EXPENDITURES TO BE EXCLUDED IN DETERMINING HISTORIC STATE EXPENDITURES.—Section 409(a)(7)(B)(iv) (42 U.S.C. 609(a)(7)(B)(iv)) is amended—

(1) in subclause (IV), by striking "under Federal programs";

(2) by striking subclause (III) and redesignating subclause (IV) as subclause (III); and

(3) in the 2nd sentence—

(A) by striking "(IV)" and inserting "(III)";

(B) by striking "an amount equal to"; and

(C) by striking "that equal" and inserting "that equals".

(h) CONFORMING TITLE IV–A PENALTIES TO TITLE IV–D PERFORMANCE-BASED STANDARDS.—Section 409(a)(8) (42 U.S.C. 609(a)(8)) is amended to read as follows:

"(8) NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

"(A) IN GENERAL.—If the Secretary finds, with respect to a State's program under part D, in a fiscal year beginning on or after October 1, 1997—

"(i)(I) on the basis of data submitted by a State pursuant to section 454(15)(B), or on the basis of the results of a review conducted under section 452(a)(4), that the State program failed to achieve the paternity establishment percentages (as defined in section 452(g)(2)), or to meet other performance measures that may be established by the Secretary;

"(II) on the basis of the results of an audit or audits conducted under section 452(a)(4)(C)(i) that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; or

"(III) on the basis of the results of an audit or audits conducted under section 452(a)(4)(C) that a State failed to substantially comply with 1 or more of the requirements of part D; and

"(ii) that, with respect to the succeeding fiscal year—

"(I) the State failed to take sufficient corrective action to achieve the appropriate performance levels or compliance as described in subparagraph (A)(i); or

"(II) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable;

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program has achieved the paternity establishment percentages or other performance measures as described in subparagraph (A)(i)(I), or is in substantial compliance with 1 or more of the requirements of part D as described in subparagraph (A)(i)(III), as appropriate, shall be reduced by the percentage specified in subparagraph (B).

"(B) AMOUNT OF REDUCTIONS.—The reductions required under subparagraph (A) shall be—

"(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 finding made pursuant to subparagraph (A); or

"(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding.

"(C) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of this section and section 452(a)(4), a State determined as a result of an audit—

"(i) to have failed to have substantially complied with 1 or more of the requirements of part D shall be determined to have achieved substantial compliance only if the Secretary determines that the extent of the noncompliance is of a technical nature which does not adversely affect the performance of the State's program under part D; or

"(ii) to have submitted incomplete or unreliable data pursuant to section 454(15)(B) shall be determined to have submitted adequate data only if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's paternity establishment percentages (as defined under section 452(g)(2)) or other performance measures that may be established by the Secretary.".

(i) CORRECTION OF REFERENCE TO 5-YEAR LIMIT ON ASSISTANCE.—Section 409(a)(9) (42 U.S.C. 609(a)(9)) is amended by striking "408(a)(1)(B)" and inserting "408(a)(7)".

(j) CORRECTION OF ERRORS IN PENALTY FOR FAILURE TO MEET MAINTENANCE OF EFFORT REQUIREMENT APPLICABLE TO THE CONTINGENCY FUND.—Section 409(a)(10) (42 U.S.C. 609(a)(10)) is amended—

(1) by striking "the expenditures under the State program funded under this part for the fiscal year (excluding any amounts made available by the Federal Government)" and inserting "the qualified State expenditures (as defined in paragraph (7)(B)(i) (other than the expenditures described in subclause (I)(bb) of that paragraph)) under the State program funded under this part for the fiscal year";

(2) by inserting "excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994," after "(as defined in paragraph (7)(B)(iii) of this subsection),"; and

(3) by inserting "that the State has not remitted under section 403(b)(6)" before the period.

(k) PENALTY FOR STATE FAILURE TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT REDUCTIONS.—Section 409(a)(12) (42 U.S.C. 609(a)(12)) is amended—

(1) in the heading—

(A) by striking "FAILURE" and inserting "REQUIREMENT"; and

(B) by striking "REDUCTIONS" and inserting "REDUCTIONS; PENALTY FOR FAILURE TO DO SO"; and

(2) by inserting ", and if the State fails to do so, the Secretary may reduce the grant payable to the State under section 403(a)(1) for the fiscal year that follows such succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant" before the period.

(l) ELIMINATION OF CERTAIN REASONABLE CAUSE EXCEPTIONS.—Section 409(b)(2) (42 U.S.C. 609(b)(2)) is amended by striking "(7) or (8)" and inserting "(6), (7), (8), (10), or (12)".

(m) CLARIFICATION OF WHAT IT MEANS TO CORRECT A VIOLATION.—Section 409(c) (42 U.S.C. 609(c)) is amended—

(1) in each of subparagraphs (A) and (B) of paragraph (1), by inserting "or discontinue, as appropriate," after "correct";

(2) in paragraph (2)—

(A) in the heading, by inserting "OR DISCONTINUING" after "CORRECTING"; and

(B) by inserting "or discontinues, as appropriate" after "corrects"; and

(3) in paragraph (3)—

(A) in the heading, by inserting "OR DISCONTINUE" after "CORRECT"; and

(B) by inserting "or discontinue, as appropriate," before "the violation".

(n) CERTAIN PENALTIES NOT AVOIDABLE THROUGH CORRECTIVE COMPLIANCE PLANS.—Section 409(c)(4) (42 U.S.C. 609(c)(4)) is amended to read as follows:

"(4) INAPPLICABILITY TO CERTAIN PENALTIES.—This subsection shall not apply to the imposition of a penalty against a State under paragraph (6), (7), (8), (10), or (12) of subsection (a).".

SEC. 108. DATA COLLECTION AND REPORTING.

Section 411(a) (42 U.S.C. 611(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking clause (ii) and inserting the following:

"(ii) Whether a child receiving such assistance or an adult in the family is receiving—

"(I) disability insurance benefits under section 223;

"(II) benefits based on disability under section 202;

"(III) aid under a State plan approved under title XIV (as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972));

"(IV) aid or assistance under a State plan approved under title XVI (as in effect without regard to such amendment) by reason of being permanently and totally disabled; or

"(V) supplemental security income benefits under title XVI (as in effect pursuant to such amendment) by reason of disability.";

(ii) in clause (iv), by striking "youngest child in" and inserting "head of";

(iii) in each of clauses (vii) and (viii), by striking "status" and inserting "level"; and

(iv) by adding at the end the following:

"(xvii) With respect to each individual in the family who has not attained 20 years of age, whether the individual is a parent of a child in the family."; and

(B) in subparagraph (B)—

(i) in the heading, by striking "ESTIMATES" and inserting "SAMPLES"; and

(ii) in clause (i), by striking "an estimate which is obtained" and inserting "disaggregated case record information on a sample of families selected"; and

(2) by redesignating paragraph (6) as paragraph (7) and inserting after paragraph (5) the following:

"(6) REPORT ON FAMILIES RECEIVING ASSISTANCE.—The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter the number of families and individuals receiving assistance under the State pro-

gram funded under this part (including the number of 2-parent and 1-parent families), and the total dollar value of such assistance received by all families.".

SEC. 109. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES.

(a) PRORATING OF TRIBAL FAMILY ASSISTANCE GRANTS.—Section 412(a)(1)(A) (42 U.S.C. 612(a)(1)(A)) is amended by inserting "which shall be reduced for a fiscal year, on a pro rata basis for each quarter, in the case of a tribal family assistance plan approved during a fiscal year for which the plan is to be in effect," before "and shall".

(b) TRIBAL OPTION TO OPERATE WORK ACTIVITIES PROGRAM.—Section 412(a)(2)(A) (42 U.S.C. 612(a)(2)(A)) is amended by striking "The Secretary" and all that follows through "2002" and inserting "For each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, the Secretary shall pay to each eligible Indian tribe that proposes to operate a program described in subparagraph (C)".

(c) DISCRETION OF TRIBES TO SELECT POPULATION TO BE SERVED BY TRIBAL WORK ACTIVITIES PROGRAM.—Section 412(a)(2)(C) (42 U.S.C. 612(a)(2)(C)) is amended by striking "members of the Indian tribe" and inserting "such population and such service area or areas as the tribe specifies".

(d) REDUCTION OF APPROPRIATION FOR TRIBAL WORK ACTIVITIES PROGRAMS.—Section 412(a)(2)(D) (42 U.S.C. 612(a)(2)(D)) is amended by striking "$7,638,474" and inserting "$7,633,287".

(e) AVAILABILITY OF CORRECTIVE COMPLIANCE PLANS TO INDIAN TRIBES.—Section 412(f)(1) (42 U.S.C. 612(f)(1)) is amended by striking "and (b)" and inserting "(b), and (c)".

(f) ELIGIBILITY OF TRIBES FOR FEDERAL LOANS FOR WELFARE PROGRAMS.—Section 412 (42 U.S.C. 612) is amended by redesignating subsections (f), (g), and (h) as subsections (g), (h), and (i), respectively, and by inserting after subsection (e) the following:

"(f) ELIGIBILITY FOR FEDERAL LOANS.—Section 406 shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such section applies to a State, except that section 406(c) shall be applied by substituting 'section 412(a)' for 'section 403(a)'.".

SEC. 110. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.

(a) RESEARCH.—

(1) METHODS.—Section 413(a) (42 U.S.C. 613(a)) is amended by inserting ", directly or through grants, contracts, or interagency agreements," before "shall conduct".

(2) CORRECTION OF CROSS REFERENCE.—Section 413(a) (42 U.S.C. 613(a)) is amended by striking "409" and inserting "407".

(b) CORRECTION OF ERRONEOUSLY INDENTED PARAGRAPH.—Section 413(e)(1) (42 U.S.C. 613(e)(1)) is amended to read as follows:

"(1) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

"(A) 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 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 the year.

"(B) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A) with respect to a State for the most recent year for which such information is available and the ratio with respect to the State for the immediately preceding year.".

(c) FUNDING OF PRIOR AUTHORIZED DEMONSTRATIONS.—Section 413(h)(1)(D) (42 U.S.C. 613(h)(1)(D)) is amended by striking "September 30, 1995" and inserting "August 22, 1996".

(d) CHILD POVERTY REPORTS.—

(1) DELAYED DUE DATE FOR INITIAL REPORT.—Section 413(i)(1) (42 U.S.C. 613(i)(1)) is amended by striking "90 days after the date of the enactment of this part" and inserting "November 30, 1997".

(2) MODIFICATION OF FACTORS TO BE USED IN ESTABLISHING METHODOLOGY FOR USE IN DETERMINING CHILD POVERTY RATES.—Section 413(i)(5) (42 U.S.C. 613(i)(5)) is amended by striking "the county-by-county" and inserting ", to the extent available, county-by-county".

SEC. 111. REPORT ON DATA PROCESSING.

Section 106(a)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2164) is amended by striking "(whether in effect before or after October 1, 1995)".

SEC. 112. STUDY ON ALTERNATIVE OUTCOMES MEASURES.

Section 107(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2164) is amended by striking "409(a)(7)(C)" and inserting "408(a)(7)(C)".

SEC. 113. LIMITATION ON PAYMENTS TO THE TERRITORIES.

(a) CERTAIN PAYMENTS TO BE DISREGARDED IN DETERMINING LIMITATION.—Section 1108(a) (42 U.S.C. 1308) is amended to read as follows:

"(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act (except for paragraph (2) of this subsection), the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and E 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.

"(2) CERTAIN PAYMENTS DISREGARDED.—Paragraph (1) of this subsection shall be applied without regard to any payment made under section 403(a)(2), 403(a)(4), 406, or 413(f).".

(b) CERTAIN CHILD CARE AND SOCIAL SERVICES EXPENDITURES BY TERRITORIES TREATED AS IV–A EXPENDITURES FOR PURPOSES OF MATCHING GRANT.—Section 1108(b)(1)(A) (42 U.S.C. 1308(b)(1)(A)) is amended by inserting ", including any amount paid to the State under part A of title IV that is transferred in accordance with section 404(d) and expended under the program to which transferred" before the semicolon.

(c) ELIMINATION OF DUPLICATIVE MAINTENANCE OF EFFORT REQUIREMENT.—Section 1108 (42 U.S.C. 1308) is amended by striking subsection (e).

SEC. 114. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) AMENDMENTS TO PART D OF TITLE IV.—

(1) CORRECTIONS TO DETERMINATION OF PATERNITY ESTABLISHMENT PERCENTAGES.—Section 452 (42 U.S.C. 652) is amended—

(A) in subsection (d)(3)(A), by striking all that follows "for purposes of" and inserting "section 409(a)(8), to achieve the paternity establishment percentages (as defined under section 452(g)(2)) and other performance measures that may be established by the Secretary, and to submit data under section 454(15)(B) that is complete and reliable, and to substantially comply with the requirements of this part; and"; and

(B) in subsection (g)(1), by striking "section 403(h)" and inserting "section 409(a)(8)".

(2) ELIMINATION OF OBSOLETE LANGUAGE.—Section 108(c)(8)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2165) is amended by inserting "and all that follows through 'the best interests of such child to do so'" before "and inserting".

(3) INSERTION OF LANGUAGE INADVERTENTLY OMITTED.—Section 108(c)(13) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2166) is amended by inserting "and inserting 'pursuant to section 408(a)(3)'" before the period.

(4) ELIMINATION OF OBSOLETE CROSS REFERENCE.—Section 464(a)(1) (42 U.S.C. 664(a)(1)) is amended by striking "section 402(a)(26)" and inserting "section 408(a)(3)".

(b) AMENDMENTS TO PART E OF TITLE IV.—Each of the following is amended by striking "June 1, 1995" each place such term appears and inserting "July 16, 1996":

(1) Section 472(a) (42 U.S.C. 672(a)).

(2) Section 472(h) (42 U.S.C. 672(h)).

(3) Section 473(a)(2) (42 U.S.C. 673(a)(2)).

(4) Section 473(b) (42 U.S.C. 673(b)).

SEC. 115. OTHER CONFORMING AMENDMENTS.

(a) ELIMINATION OF AMENDMENTS INCLUDED INADVERTENTLY.—Section 110(l) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2173) is amended—

(1) by adding "and" at the end of paragraph (6); and

(2) by striking paragraph (7) and redesignating paragraph (8) as paragraph (7).

(b) CORRECTION OF CITATION.—Section 109(f) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2177) is amended by striking "93–186" and inserting "93–86".

(c) CORRECTION OF INTERNAL CROSS REFERENCE.—Section 103(a)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2112) is amended by striking "603(b)(2)" and inserting "603(b)".

SEC. 116. MODIFICATIONS TO THE JOB OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM.

Section 112(5) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2177) is amended in each of subparagraphs (A) and (B) by inserting "under" after "funded".

SEC. 117. DENIAL OF ASSISTANCE AND BENEFITS FOR DRUG-RELATED CONVICTIONS.

(a) EXTENSION OF CERTAIN REQUIREMENTS COORDINATED WITH DELAYED EFFECTIVE DATE FOR SUCCESSOR PROVISIONS.—Section 115(d)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2181) is amended by striking "convictions" and inserting "a conviction if the conviction is for conduct".

(b) IMMEDIATE EFFECTIVENESS OF PROVISIONS RELATING TO RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.—Section 116(a) of such Act (Public Law 104–193; 110 Stat. 2181) is amended by adding at the end the following:

"(6) RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.—Section 413 of the Social Security Act, as added by the amendment made by section 103(a) of this Act, shall take effect on the date of the enactment of this Act.".

SEC. 118. TRANSITION RULE.

Section 116 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2181) is amended—

(1) in subsection (a)(2), by inserting "(but subject to subsection (b)(1)(A)(ii))" after "this section"; and

(2) in subsection (b)(1)(A)(ii), by striking "June 30, 1997" and inserting "the later of June 30, 1997, or the day before the date described in subsection (a)(2)(B) of this section".

SEC. 119. EFFECTIVE DATES.

(a) AMENDMENTS TO PART A OF TITLE IV OF THE SOCIAL SECURITY ACT.—The amendments made by this title to a provision of part A of title IV of the Social Security Act shall take effect as if the amendments had been included in section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 at the time such section became law.

(b) AMENDMENTS TO PARTS D AND E OF TITLE IV OF THE SOCIAL SECURITY ACT.—The amendments made by section 114 of this Act shall take effect as if the amendments had been included in section 108 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 at the time such section 108 became law.

(c) AMENDMENTS TO OTHER AMENDATORY PROVISIONS.—The amendments made by section 115(a) of this Act shall take effect as if the amendments had been included in section 110 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 at the time such section 110 became law.

(d) AMENDMENTS TO FREESTANDING PROVISIONS OF THE PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996.—The amendments made by this title to a provision of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 that, as of July 1, 1997, will not have become part of another statute shall take effect as if the amendments had been included in the provision at the time the provision became law.

TITLE II—SUPPLEMENTAL SECURITY INCOME

Subtitle A—Conforming and Technical Amendments

SEC. 201. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO ELIGIBILITY RESTRICTIONS

(a) DENIAL OF SSI BENEFITS FOR FUGITIVE FELONS AND PROBATION AND PAROLE VIOLATORS.—Section 1611(e)(6) of the Social Security Act (42 U.S.C. 1382(e)(6)) is amended by inserting "and section 1106(c) of this Act" after "of 1986".

(b) TREATMENT OF PRISONERS.—Section 1611(e)(1)(I)(i)(II) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)(II)) is amended by striking "inmate of the institution" and all that follows through "this subparagraph" and inserting "individual who receives in the month preceding the first month throughout which such individual is an inmate of the jail, prison, penal institution, or correctional facility that furnishes information respecting such individual pursuant to subclause (I), or is confined in the institution (that so furnishes such information) as described in section 202(x)(1)(A)(ii), a benefit under this title for such preceding month, and who is determined by the Commissioner to be ineligible for benefits under this title by reason of confinement based on the information provided by such institution".

(c) CORRECTION OF REFERENCE.—Section 1611(e)(1)(I)(i)(I) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(i)(I)) is amended by striking "paragraph (1)" and inserting "this paragraph".

SEC. 202. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO BENEFITS FOR DISABLED CHILDREN.

(a) ELIGIBILITY REDETERMINATIONS FOR CURRENT RECIPIENTS.—Section 211(d)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 1382c note) is amended by striking "1 year" and inserting "18 months".

(b) ELIGIBILITY REDETERMINATIONS AND CONTINUING DISABILITY REVIEWS.—

(1) DISABILITY ELIGIBILITY REDETERMINATIONS REQUIRED FOR SSI RECIPIENTS WHO ATTAIN 18 YEARS OF AGE.—Section 1614(a)(3)(H)(iii) of the Social Security Act (42 U.S.C. 1382c(a)(3)(H)(iii)) is amended by striking subclauses (I) and (II) and all that follows and inserting the following:

"(I) by applying the criteria used in determining initial eligibility for individuals who are age 18 or older; and

"(II) either during the 1-year period beginning on the individual's 18th birthday or, in lieu of a continuing disability review, whenever the Commissioner determines that an individual's case is subject to a redetermination under this clause.

With respect to any redetermination under this clause, paragraph (4) shall not apply.".

(2) CONTINUING DISABILITY REVIEW REQUIRED FOR LOW BIRTH WEIGHT BABIES.—Section 1614(a)(3)(H)(iv) of the Social Security Act (42 U.S.C. 1382c(a)(3)(H)(iv)) is amended—

(A) in subclause (I), by striking "Not" and inserting "Except as provided in subclause (VI), not"; and

(B) by adding at the end the following:

"(VI) Subclause (I) shall not apply in the case of an individual described in that subclause who, at the time of the individual's initial disability determination, the Commissioner determines has an impairment that is not expected to improve within 12 months after the birth of that individual, and who the Commissioner schedules for a continuing disability review at a date that is after the individual attains 1 year of age.".

(c) ADDITIONAL ACCOUNTABILITY REQUIREMENTS.—Section 1631(a)(2)(F) of the Social Security Act (42 U.S.C. 1383(a)(2)(F)) is amended—

(1) in clause (ii)(III)(bb), by striking "the total amount" and all that follows through "1613(c)" and inserting "in any case in which the individual knowingly misapplies benefits from such an account, the Commissioner shall reduce future benefits payable to such individual (or to such individual and his spouse) by an amount equal to the total amount of such benefits so misapplied"; and

(2) by striking clause (iii) and inserting the following:

"(iii) The representative payee may deposit into the account established under clause (i) any other funds representing past due benefits under this title to the eligible individual, provided that the amount of such past due benefits is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual (including State supplementary payments made by the Commissioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93–66).".

(d) REDUCTION IN CASH BENEFITS PAYABLE TO INSTITUTIONALIZED INDIVIDUALS WHOSE MEDICAL COSTS ARE COVERED BY PRIVATE INSURANCE.—Section 1611(e) of the Social Security Act (42 U.S.C. 1382(e)) is amended—

(1) in paragraph (1)(B)—

(A) in the matter preceding clause (i), by striking "hospital, extended care facility, nursing home, or intermediate care facility" and inserting "medical treatment facility";

(B) in clause (ii)—

(i) in the matter preceding subclause (I), by striking "hospital, home or"; and

(ii) in subclause (I), by striking "hospital, home, or";

(C) in clause (iii), by striking "hospital, home, or"; and

(D) in the matter following clause (iii), by striking "hospital, extended care facility, nursing home, or intermediate care facility which is a 'medical institution or nursing facility' within the meaning of section 1917(c)" and inserting "medical treatment facility that provides services described in section 1917(c)(1)(C)";

(2) in paragraph (1)(E)—

(A) in clause (i)(II), by striking "hospital, extended care facility, nursing home, or intermediate care facility" and inserting "medical treatment facility"; and

(B) in clause (iii), by striking "hospital, extended care facility, nursing home, or intermediate care facility" and inserting "medical treatment facility";

(3) in paragraph (1)(G), in the matter preceding clause (i)—

(A) by striking "or which is a hospital, extended care facility, nursing home, or intermediate care" and inserting "or is in a medical treatment"; and

(B) by inserting "or, in the case of an individual who is a child under the age of 18, under any health insurance policy issued by a private provider of such insurance" after "title XIX"; and

(4) in paragraph (3)—

(A) by striking "same hospital, home, or facility" and inserting "same medical treatment facility"; and

(B) by striking "same such hospital, home, or facility" and inserting "same such facility".

(e) CORRECTION OF U.S.C. CITATION.—Section 211(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2189) is amended by striking "1382(a)(4)" and inserting "1382c(a)(4)".

SEC. 203. ADDITIONAL TECHNICAL AMENDMENTS TO TITLE II.

Title II of the Social Security Act (42 U.S.C. 401 et seq.) is amended—

(1) in section 205(j)(4)(B)(i), by adding "and" at the end; and

(2) in section 215(i)(2)(D), by striking "He" and inserting "The Commissioner of Social Security".

SEC. 204. ADDITIONAL TECHNICAL AMENDMENTS TO TITLE XVI.

Section 1615(d) of the Social Security Act (42 U.S.C. 1382d(d)) is amended—

(1) in the first sentence, by inserting a comma after "subsection (a)(1)"; and

(2) in the last sentence, by striking "him" and inserting "the Commissioner".

SEC. 205. ADDITIONAL TECHNICAL AMENDMENTS RELATING TO TITLES II AND XVI.

Section 1110(a)(3) of the Social Security Act (42 U.S.C. 1310(a)(3)) is amended—

(1) by inserting "(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning titles II or XVI)" after "Secretary" the first place it appears; and

(2) by inserting "(or the Commissioner, as applicable)" after "Secretary" the second place it appears.

SEC. 206. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this subtitle shall take effect as if included in the enactment of title II of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2185).

(b) EXCEPTION.—The amendments made by section 205 shall take effect as if included in the enactment of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1464).

Subtitle B—Additional Amendments

SEC. 211. TECHNICAL AMENDMENTS RELATING TO DRUG ADDICTS AND ALCOHOLICS.

(a) CLARIFICATIONS RELATING TO THE EFFECTIVE DATE OF THE DENIAL OF DISABILITY BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.—

(1) AMENDMENTS RELATING TO DISABILITY BENEFITS UNDER TITLE II.—Section 105(a)(5) of the Contract with America Advancement Act of 1996 (Public Law 104–121; 110 Stat. 853) is amended—

(A) in subparagraph (A), by striking "by the Commissioner of Social Security" and "by the Commissioner"; and

(B) by adding at the end the following new subparagraphs:

"(D) For purposes of this paragraph, an individual's claim, with respect to benefits under title II of the Social Security Act based on disability, which has been denied in whole before the date of the enactment of this Act, may not be considered to be finally adjudicated before such date if, on or after such date—

"(i) there is pending a request for either administrative or judicial review with respect to such claim, or

"(ii) there is pending, with respect to such claim, a readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

"(E) Notwithstanding the provisions of this paragraph, with respect to any individual for whom the Commissioner of Social Security does not perform the entitlement redetermination before the date prescribed in subparagraph (C), the Commissioner shall perform such entitlement redetermination in lieu of a continuing disability review whenever the Commissioner determines that the individual's entitlement is subject to redetermination based on the preceding provisions of this paragraph, and the provisions of section 223(f) of the Social Security Act shall not apply to such redetermination.".

(2) AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME DISABILITY BENEFITS UNDER TITLE XVI.—Section 105(b)(5) of such Act (Public Law 104–121; 110 Stat. 853) is amended—

(A) in subparagraph (A), by striking "by the Commissioner of Social Security" and "by the Commissioner"; and

(B) by redesignating subparagraph (D) as subparagraph (F) and by inserting after subparagraph (C) the following new subparagraphs:

"(D) For purposes of this paragraph, an individual's claim, with respect to supplemental security income benefits under title XVI of the Social Security Act based on disability, which has been denied in whole before the date of the enactment of this Act, may not be considered to be finally adjudicated before such date if, on or after such date—

"(i) there is pending a request for either administrative or judicial review with respect to such claim, or

"(ii) there is pending, with respect to such claim, a readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

"(E) Notwithstanding the provisions of this paragraph, with respect to any individual for whom the Commissioner does not perform the eligibility redetermination before the date prescribed in subparagraph (C), the Commissioner shall perform such eligibility redetermination in lieu of a continuing disability review whenever the Commissioner determines that the individual's eligibility is subject to redetermination based on the preceding provisions of this paragraph, and the provisions of section 1614(a)(4) of the Social Security Act shall not apply to such redetermination.".

(b) CORRECTIONS TO EFFECTIVE DATE OF PROVISIONS CONCERNING REPRESENTATIVE PAYEES AND TREATMENT REFERRALS OF DRUG ADDICTS AND ALCOHOLICS.—

(1) AMENDMENTS RELATING TO TITLE II DISABILITY BENEFICIARIES.—Section 105(a)(5)(B) of such Act (Public Law 104–121; 110 Stat. 853) is amended to read as follows:

"(B) The amendments made by paragraphs (2) and (3) shall take effect on July 1, 1996, with respect to any individual—

"(i) whose claim for benefits is finally adjudicated on or after the date of the enactment of this Act, or

"(ii) whose entitlement to benefits is based upon an entitlement redetermination made pursuant to subparagraph (C).".

(2) AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME RECIPIENTS.—Section 105(b)(5)(B) of such Act (Public Law 104–121; 110 Stat. 853) is amended to read as follows:

"(B) The amendments made by paragraphs (2) and (3) shall take effect on July 1, 1996, with respect to any individual—

"(i) whose claim for benefits is finally adjudicated on or after the date of the enactment of this Act, or

"(ii) whose eligibility for benefits is based upon an eligibility redetermination made pursuant to subparagraph (C).".

(c) REPEAL OF OBSOLETE REPORTING REQUIREMENTS.—Subsections (a)(3)(B) and (b)(3)(B)(ii) of section 201 of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1497, 1504) are repealed.

(d) EFFECTIVE DATES.—

(1) IN GENERAL.—The amendments made by subsections (a) and (b) shall take effect as if included in the enactment of section 105 of the Contract with America Advancement Act of 1996 (Public Law 104–121; 110 Stat. 852 et seq.).

(2) REPEALS.—The repeals made by subsection (c) shall take effect on the date of the enactment of this Act.

SEC. 212. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY.

(a) IN GENERAL.—Section 505 of the Social Security Disability Amendments of 1980 (Public Law 96–265; 94 Stat. 473), as amended by section 12101 of the Consolidated Omnibus Budget Reconciliation Act of 1985 (Public Law 99–272; 100 Stat. 282), section 10103 of the Omnibus Budget Reconciliation Act of 1989 (Public Law 101–239; 103 Stat. 2472), section 5120(f) of the Omnibus Budget Reconciliation Act of 1990 (Public Law 101–508; 104 Stat. 1388–282), and section 315 of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296; 108 Stat. 1531), is further amended—

(1) in paragraph (1) of subsection (a), by adding at the end the following new sentence: "The Commissioner may expand the scope of any such experiment or demonstration project to include any group of applicants for benefits under such program with impairments which may reasonably be presumed to be disabling for purposes of such experiment or demonstration project, and may limit any such experiment or demonstration project to any such group of applicants, subject to the terms of such experiment or demonstration project which shall define the extent of any such presumption.";

(2) in paragraph (3) of subsection (a), by striking "June 10, 1996" and inserting "June 10, 1999";

(3) in paragraph (4) of subsection (a), by inserting "and on or before October 1, 1998," after "1995,"; and

(4) in subsection (c), by striking "October 1, 1996" and inserting "October 1, 1999".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

SEC. 213. PERFECTING AMENDMENTS RELATED TO WITHHOLDING FROM SOCIAL SECURITY BENEFITS.

(a) INAPPLICABILITY OF ASSIGNMENT PROHIBITION.—Section 207 of the Social Security Act (42 U.S.C. 407) is amended by adding at the end the following new subsection:

"(c) Nothing in this section shall be construed to prohibit withholding taxes from any benefit under this title, if such withholding is done pursuant to a request made in accordance with section 3402(p)(1) of the Internal Revenue Code of 1986 by the person entitled to such benefit or such persons' representative payee.".

(b) PROPER ALLOCATION OF COSTS OF WITHHOLDING BETWEEN THE TRUST FUNDS AND THE GENERAL FUND.—Section 201(g) of such Act (42 U.S.C. 401(g)) is amended—

(1) by inserting before the period in paragraph (1)(A)(ii) the following: "and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee";

(2) by inserting before the period at the end of paragraph (1)(A) the following: "and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee";

(3) in paragraph (1)(B)(i)(I), by striking "subparagraph (A)),"" and inserting "subparagraph (A)) and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee,";

(4) in paragraph (1)(C)(iii), by inserting before the period the following: "and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee";

(5) in paragraph (1)(D), by inserting after "section 232" the following: "and the functions of the Social Security Administration in connection with the withholding of taxes from benefits as described in section 207(c)"; and

(6) in paragraph (4), by inserting after the first sentence the following: "The Board of Trustees of such Trust Funds shall prescribe before January 1, 1998, the method of determining the costs which should be borne by the general fund in the Treasury of carrying out the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee.".

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to benefits paid on or after the first day of the second month beginning after the month in which this Act is enacted.

SEC. 214. TREATMENT OF PRISONERS.

(a) IMPLEMENTATION OF PROHIBITION AGAINST PAYMENT OF TITLE II BENEFITS TO PRISONERS.—

(1) IN GENERAL.—Section 202(x)(3) of the Social Security Act (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 an agreement, with any interested State or local institution comprising a jail, prison, penal institution, correctional facility, or other institution a 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 and in a manner specified by the Commissioner, the names, social security account numbers, dates of birth, confinement commencement dates, and, to the extent available to the institution, 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 the institution, with respect to information described in subclause (I) concerning each individual who is confined therein as described in paragraph (1)(A), who receives a benefit under this title for the month preceding the first month of such confinement, and whose benefit under this title is determined by the Commissioner to be not payable by reason of confinement based on the information provided by the institution, $400 (subject to reduction under clause (ii)) if the institution furnishes the information to the Commissioner within 30 days after the date such individual's confinement in such institution begins, or $200 (subject to reduction under clause (ii)) if the institution furnishes the information after 30 days after such date but within 90 days after such date.

"(ii) 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 1611(e)(1)(I).

"(iii) There shall be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to enable the Commissioner to make payments to institutions required by clause (i)(II). Sums so transferred shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 and excluded from budget totals in accordance with section 13301 of the Budget Enforcement Act of 1990.

"(iv) The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements entered into under clause (i) to any agency administering a Federal or federally-assisted cash, food, or medical assistance program for eligibility purposes.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals whose period of confinement in an institution commences on or after the first day of the fourth month beginning after the month in which this Act is enacted.

(b) ELIMINATION OF TITLE II REQUIREMENT THAT CONFINEMENT STEM FROM CRIME PUNISHABLE BY IMPRISONMENT FOR MORE THAN 1 YEAR.—

(1) IN GENERAL.—Section 202(x)(1)(A) of such Act (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 "an offense punishable by imprisonment for more than 1 year (regardless of the actual sentence imposed)" and inserting "a criminal offense"; and

(C) in clause (ii)(I), by striking "an offense punishable by imprisonment for more than 1 year" and inserting "a criminal offense".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply to individuals whose period of confinement in an institution commences on or after the first day of the fourth month beginning after the month in which this Act is enacted.

(c) INCLUSION OF TITLE II ISSUES IN STUDY AND REPORT REQUIREMENTS RELATING TO PRISONERS.—

(1) IN GENERAL.—Section 203(b)(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) is amended—

(A) in subparagraph (A), by striking "section 1611(e)(1)" and inserting "sections 202(x) and 1611(e)(1)"; and

(B) in subparagraph (B), by striking "section 1611(e)(1)(I)" and inserting "section 202(x)(3)(B) or 1611(e)(1)(I)".

(2) CONFORMING AMENDMENT.—Section 203(c) of such Act is amended by striking "section 1611(e)(1)(I)" and all that follows and inserting the following: "sections 202(x)(3)(B) and 1611(e)(1)(I) of the Social Security Act.".

(3) APPLICATION.—The amendments made by paragraph (1) shall apply as if included in the enactment of section 203(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193). The amendment made by paragraph (2) shall apply as if included in the enactment of section 203(c) of such Act.

(d) CONFORMING TITLE XVI AMENDMENTS.—

(1) FIFTY PERCENT REDUCTION IN TITLE XVI PAYMENT IN CASE INVOLVING COMPARABLE TITLE II PAYMENT.—Section 1611(e)(1)(I) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)), as amended by section 201(b) of this Act, is amended further—

(A) in clause (i)(II), by inserting "(subject to reduction under clause (ii))" after "$400" and after "$200";

(B) by redesignating clauses (ii) and (iii) as clauses (iii) and (iv) respectively; and

(C) by inserting after clause (i) the following new clause:

"(ii) 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).".

(2) EXPANSION OF CATEGORIES OF INSTITUTIONS ELIGIBLE TO ENTER INTO AGREEMENTS WITH THE COMMISSIONER.—Section 1611(e)(1)(I)(i) of such Act (42 U.S.C. 1382(e)(1)(I)(i)) is amended in the matter preceding subclause (I) by striking "institution" and all that follows through "section 202(x)(1)(A)," and inserting "institution comprising a jail, prison, penal institution, or correctional facility, or with any other interested State or local institution a purpose of which is to confine individuals as described in section 202(x)(1)(A)(ii),".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect as if included in the enactment of section 203(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2186). The reference to section 202(x)(1)(A)(ii) of the Social Security Act in section 1611(e)(1)(I)(i) of such Act as amended by paragraph (2) shall be deemed a reference to such section 202(x)(1)(A)(ii) as amended by subsection (b)(1)(C).

(e) EXEMPTION FROM COMPUTER MATCHING REQUIREMENTS.—

(1) IN GENERAL.—Section 552a(a)(8)(B) of title 5, United States Code, is amended—

(A) by striking "or" at the end of clause (v) and inserting a semicolon;

(B) by inserting "or" at the end of clause (vi); and

(C) by inserting after clause (vi) the following new clause:

"(vii) matches performed pursuant to section 202(x), 205(j), 1611(e)(1), or 1631(a)(2) of the Social Security Act;".

(2) CONFORMING AMENDMENT.—Section 1611(e)(1)(I)(iii) of the Social Security Act (42 U.S.C. 1382(e)(1)(I)(iii)), as so redesignated by subsection (d)(1)(B) of this section, is amended—

(A) by striking "(I) The provisions" and all that follows through "(II) The Commissioner" and inserting "The Commissioner"; and

(B) by inserting "agency administering a" before "Federal or federally-assisted".

(3) EFFECTIVE DATE.—The amendments made by this subsection shall take effect on the date of the enactment of this Act.

(f) CONTINUED DENIAL OF BENEFITS TO SEX OFFENDERS REMAINING CONFINED TO PUBLIC INSTITUTIONS UPON COMPLETION OF PRISON TERM.—

(1) IN GENERAL.—Section 202(x)(1)(A) of the Social Security Act (42 U.S.C. 402(x)(1)(A)) is amended—

(A) in clause (i), by striking "or" at the end;

(B) in clause (ii)(IV), by striking the period and inserting ", or"; and

(C) by adding at the end the following new clause:

"(iii) immediately upon completion of confinement as described in clause (i) pursuant to conviction of a criminal offense an element of which is sexual activity, is confined by court order in an institution at public expense pursuant to a finding that the individual is a sexually dangerous person or a sexual predator or a similar finding.".

(2) EFFECTIVE DATE.—The amendments made by this subsection shall apply with respect to benefits for months ending after the date of the enactment of this Act.

SEC. 215. SOCIAL SECURITY ADVISORY BOARD PERSONNEL.

(a) IN GENERAL.—Section 703(i) of the Social Security Act (42 U.S.C. 903(i)) is amended—

(1) in the first sentence, by striking ", and three" and all that follows through "Board,"; and

(2) in the last sentence, by striking "clerical".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect as if included in the enactment of section 108 of the Contract with America Advancement Act of 1996 (Public Law 104–121; 110 Stat. 857).

TITLE III—CHILD SUPPORT

SEC. 301. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES.

(a) INDIVIDUALS SUBJECT TO FEE FOR CHILD SUPPORT ENFORCEMENT SERVICES.—Section 454(6)(B) of the Social Security Act (42 U.S.C. 654(6)(B)) is amended by striking "individuals not receiving assistance under any State program funded under part A, which" and inserting "an individual, other than an individual receiving assistance under a State program funded under part A or E, or under a State plan approved under title XIX, or who is required by the State to cooperate with the State agency administering the program under this part pursuant to subsection (l) or (m) of section 6 of the Food Stamp Act of 1977, and".

(b) CORRECTION OF REFERENCE.—Section 464(a)(2)(A) of the Social Security Act (42 U.S.C. 654(a)(2)(A)) is amended in the first sentence by striking "section 454(6)" and inserting "section 454(4)(A)(ii)".

SEC. 302. DISTRIBUTION OF COLLECTED SUPPORT.

(a) CONTINUATION OF ASSIGNMENTS.—Section 457(b) of the Social Security Act (42 U.S.C. 657(b)) is amended—

(1) by striking "which were assigned" and inserting "assigned"; and

(2) by striking "and which were in effect" and all that follows and inserting "and in effect on September 30, 1997 (or such earlier date, on or after August 22, 1996, as the State may choose), shall remain assigned after such date.".

(b) STATE OPTION FOR APPLICABILITY.—

(1) IN GENERAL.—Section 457(a) of the Social Security Act (42 U.S.C. 657(a)) is amended by adding at the end the following:

"(6) STATE OPTION FOR APPLICABILITY.—Notwithstanding any other provision of this subsection, a State may elect to apply the rules described in clauses (i)(II), (ii)(II), and (v) of paragraph (2)(B) to support arrearages collected on and after October 1, 1998, and, if the State makes such an election, shall apply the provisions of this section, as in effect and applied on the day before the date of enactment of section 302 of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104–193, 110 Stat. 2200), other than subsection (b)(1) (as so in effect), to amounts collected before October 1, 1998.".

(2) CONFORMING AMENDMENTS.—Section 408(a)(3)(A) of the Social Security Act (42 U.S.C. 608(a)(3)(A)) is amended—

(A) in clause (i), by inserting "(I)" after "(i)";

(B) in clause (ii)—

(i) by striking "(ii)" and inserting "(II)"; and

(ii) by striking the period and inserting "; or"; and

(C) by adding at the end, the following:

"(ii) if the State elects to distribute collections under section 457(a)(6), the date the family ceases to receive assistance under the program, if the assignment is executed on or after October 1, 1998.".

(c) DISTRIBUTION OF COLLECTIONS WITH RESPECT TO FAMILIES RECEIVING ASSISTANCE.—Section 457(a)(1) of the Social Security Act (42 U.S.C. 657(a)(1)) is amended by adding at the end the following flush language:

"In no event shall the total of the amounts paid to the Federal Government and retained by the State exceed the total of the amounts that have been paid to the family as assistance by the State.".

(d) FAMILIES UNDER CERTAIN AGREEMENTS.—Section 457(a)(4) of the Social Security Act (42 U.S.C. 657(a)(4)) is amended to read as follows:

"(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), distribute the amount so collected pursuant to the terms of the agreement.".

(e) STUDY AND REPORT.—Section 457(a)(5) of the Social Security Act (42 U.S.C. 657(a)(5)) is amended by striking "1998" and inserting "1999".

(f) CORRECTIONS OF REFERENCES.—Section 457(a)(2)(B) of the Social Security Act (42 U.S.C. 657(a)(2)(B)) is amended—

(1) in clauses (i)(I) and (ii)(I)—

(A) by striking "(other than subsection (b)(1))" each place it appears; and

(B) by inserting "(other than subsection (b)(1) (as so in effect))" after "1996" each place it appears; and

(2) in clause (ii)(II), by striking "paragraph (4)" and inserting "paragraph (5)".

(g) CORRECTION OF TERRITORIAL MATCH.—Section 457(c)(3)(A) of the Social Security Act (42 U.S.C. 657(c)(3)(A)) is amended by striking "the Federal medical assistance percentage (as defined in section 1118)" and inserting "75 percent".

(h) DEFINITIONS.—

(1) FEDERAL SHARE.—Section 457(c)(2) of the Social Security Act (42 U.S.C. 657(c)(2)) is amended by striking "collected" the second place it appears and inserting "distributed".

(2) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—Section 457(c)(3)(B) of the Social Security Act (42 U.S.C. 657(c)(3)(B)) is amended by striking "as in effect on September 30, 1996" and inserting "as such section was in effect on September 30, 1995".

(i) CONFORMING AMENDMENTS.—

(1) Section 464(a)(2)(A) of the Social Security Act (42 U.S.C. 664(a)(2)(A)) is amended, in the penultimate sentence, by inserting "in accordance with section 457" after "owed".

(2) Section 466(a)(3)(B) of the Social Security Act (42 U.S.C. 666(a)(3)(B)) is amended by striking "457(b)(4) or (d)(3)" and inserting "457".

SEC. 303. CIVIL PENALTIES RELATING TO STATE DIRECTORY OF NEW HIRES.

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

(1) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking "shall be less than" and inserting "shall not exceed"; and

(B) in paragraph (1), by striking "$25" and inserting "$25 per failure to meet the requirements of this section with respect to a newly hired employee"; and

(2) in subsection (g)(2)(B), by striking "extracts" and all that follows through "Labor" and inserting "information".

SEC. 304. FEDERAL PARENT LOCATOR SERVICE.

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

(1) in subsection (a)—

(A) by inserting "(1)" after "(a)"; and

(B) by striking "to obtain" and all that follows through the period and inserting "for the purposes specified in paragraphs (2) and (3).

"(2) For the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, the Federal Parent Locator Service shall obtain and transmit to any authorized person specified in subsection (c)—

"(A) information on, or facilitating the discovery of, the location of any individual—

"(i) who is under an obligation to pay child support;

"(ii) against whom such an obligation is sought; or

"(iii) 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;

"(B) 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

"(C) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.

"(3) For the purpose of enforcing any Federal or State law with respect to the unlawful taking or restraint of a child, or making or enforcing a child custody or visitation determination, as defined in section 463(d)(1), the Federal Parent Locator Service shall be used to obtain and transmit the information specified in section 463(c) to the authorized persons specified in section 463(d)(2).";

(2) by striking subsection (b) and inserting the following:

"(b)(1) Upon request, filed in accordance with subsection (d), of any authorized person, as defined in subsection (c) for the information described in subsection (a)(2), or of any authorized person, as defined in section 463(d)(2) for the information described in section 463(c), the Secretary shall, notwithstanding any other provision of law, provide through the Federal Parent Locator Service such information to such person, if such information—

"(A) is contained in any files or records maintained by the Secretary or by the Department of Health and Human Services; or

"(B) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (e), from any other department, agency, or instrumentality of the United States or of any State,

and is not prohibited from disclosure under paragraph (2).

"(2) No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c)(1). 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, provided that—

"(A) in response to a request from an authorized person (as defined in subsection (c) and section 463(d)(2)), the Secretary shall advise the authorized person that the Secretary has been notified that there is reasonable evidence of domestic violence or child abuse and that information can only be disclosed to a court or an agent of a court pursuant to subparagraph (B); and

"(B) information may be disclosed to a court or an agent of a court described in subsection (c)(2) or section 463(d)(2)(B), if—

"(i) upon receipt of information from the Secretary, the court determines whether disclosure to any other person of that information could be harmful to the parent or the child; and

"(ii) if the court determines that disclosure of such information to any other person could be harmful, the court and its agents shall not make any such disclosure.

"(3) Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).."; and

(3) in subsection (c)—

(A) in paragraph (1), by striking "or to seek to enforce orders providing child custody or visitation rights"; and

(B) in paragraph (2)—

(i) by inserting "or to serve as the initiating court in an action to seek an order" after "issue an order"; and

(ii) by striking "or to issue an order against a resident parent for child custody or visitation rights".

(b) USE OF THE FEDERAL PARENT LOCATOR SERVICE.—Section 463 of the Social Security Act (42 U.S.C. 663) is amended—

(1) in subsection (a)—

(A) in the matter preceding paragraph (1)—

(i) by striking "any State which is able and willing to do so," and inserting "every State"; and

(ii) by striking "such State" and inserting "each State"; and

(B) in paragraph (2), by inserting "or visitation" after "custody";

(2) in subsection (b)(2), by inserting "or visitation" after "custody";

(3) in subsection (d)—

(A) in paragraph (1), by inserting "or visitation" after "custody"; and

(B) in subparagraphs (A) and (B) of paragraph (2), by inserting "or visitation" after "custody" each place it appears;

(4) in subsection (f)(2), by inserting "or visitation" after "custody"; and

(5) by striking "noncustodial" each place it appears.

SEC. 305. ACCESS TO REGISTRY DATA FOR RESEARCH PURPOSES.

(a) IN GENERAL.—Section 453(j)(5) of the Social Security Act (42 U.S.C. 653(j)(5)) is amended by inserting "data in each component of the Federal Parent Locator Service maintained under this section and to" before "information".

(b) CONFORMING AMENDMENTS.—Section 453 of the Social Security Act (42 U.S.C. 653) is amended—

(1) in subsection (j)(3)(B), by striking "registries" and inserting "components"; and

(2) in subsection (k)(2), by striking "subsection (j)(3)" and inserting "section 453A(g)(2)".

SEC. 306. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT.

Section 466(a)(13) of the Social Security Act (42 U.S.C. 666(a)(13)) is amended—

(1) in subparagraph (A)—

(A) by striking "commercial"; and

(B) by inserting "recreational license," after "occupational license,"; and

(2) in the matter following subparagraph (C), by inserting "to be used on the face of the document while the social security number is kept on file at the agency" after "other than the social security number".

SEC. 307. ADOPTION OF UNIFORM STATE LAWS.

Section 466(f) of the Social Security Act (42 U.S.C. 666(f)) is amended by striking "together" and all that follows and inserting "and as in effect on August 22, 1996, including any amendments officially adopted as of such date by the National Conference of Commissioners on Uniform State Laws.".

SEC. 308. STATE LAWS PROVIDING EXPEDITED PROCEDURES.

Section 466(c) of the Social Security Act (42 U.S.C. 666(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (E), by inserting ", part E," after "part A"; and

(B) in subparagraph (G), by inserting "any current support obligation and" after "to satisfy"; and

(2) in paragraph (2)(A)—

(A) in clause (i), by striking "the tribunal and"; and

(B) in clause (ii)—

(i) by striking "tribunal may" and inserting "court or administrative agency of competent jurisdiction shall"; and

(ii) by striking "filed with the tribunal" and inserting "filed with the State case registry".

SEC. 309. VOLUNTARY PATERNITY ACKNOWLEDGEMENT.

Section 466(a)(5)(C)(i) of the Social Security Act (42 U.S.C. 666(a)(5)(C)(i)) is amended by inserting ", or through the use of video or audio equipment," after "orally".

SEC. 310. CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE.

Section 452(g)(2) of the Social Security Act (42 U.S.C. 652(g)(2)) is amended, in the matter following subparagraph (C), by striking "subparagraph (A)" and inserting "subparagraphs (A) and (B)".

SEC. 311. MEANS AVAILABLE FOR PROVISION OF TECHNICAL ASSISTANCE AND OPERATION OF FEDERAL PARENT LOCATOR SERVICE.

(a) TECHNICAL ASSISTANCE.—Section 452(j) of the Social Security Act (42 U.S.C. 652(j)), is amended, in the matter preceding paragraph (1), by striking "to cover costs incurred by the Secretary" and inserting "which shall be available for use by the Secretary, either directly or through grants, contracts, or interagency agreements,".

(b) OPERATION OF FEDERAL PARENT LOCATOR SERVICE.—

(1) MEANS AVAILABLE.—Section 453(o) of the Social Security Act (42 U.S.C. 653(o)) is amended—

(A) in the heading, by striking "RECOVERY OF COSTS" and inserting "USE OF SET-ASIDE FUNDS"; and

(B) by striking "to cover costs incurred by the Secretary" and inserting "which shall be available for use by the Secretary, either directly or through grants, contracts, or interagency agreements,".

(2) AVAILABILITY OF FUNDS.—Section 453(o) of the Social Security Act (42 U.S.C. 653(o)) is amended by adding at the end the following: "Amounts appropriated under this subsection for each of fiscal years 1997 through 2001 shall remain available until expended.".

SEC. 312. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) RESPONSE TO NOTICE OR PROCESS.—Section 459(c)(2)(C) of the Social Security Act (42 U.S.C. 659(c)(2)(C)) is amended by striking "respond to the order, process, or interrogatory" and inserting "withhold available sums in response to the order or process, or answer the interrogatory".

(b) MONEYS SUBJECT TO PROCESS.—Section 459(h)(1) of the Social Security Act (42 U.S.C. 659(h)(1)) is amended—

(1) in the matter preceding subparagraph (A) and in subparagraph (A)(i), by striking "paid or" each place it appears;

(2) in subparagraph (A)—

(A) in clause (ii)(V), by striking "and" at the end;

(B) in clause (iii)—

(i) by inserting "or payable" after "paid"; and

(ii) by striking "but" and inserting "; and"; and

(C) by inserting after clause (iii), the following:

"(iv) benefits paid or payable under the Railroad Retirement System, but"; and

(3) in subparagraph (B)—

(A) in clause (i), by striking "or" at the end;

(B) in clause (ii), by striking the period and inserting "; or"; and

(C) by adding at the end the following:

"(iii) of periodic benefits under title 38, United States Code, except as provided in subparagraph (A)(ii)(V).".

(c) CONFORMING AMENDMENT.—Section 454(19)(B)(ii) of the Social Security Act (42 U.S.C. 654(19)(B)(ii)) is amended by striking "section 462(e)" and inserting "section 459(i)(5)".

SEC. 313. DEFINITION OF SUPPORT ORDER.

Section 453(p) of the Social Security Act (42 U.S.C. 653(p)), is amended by striking "a child and" and inserting "of".

SEC. 314. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.

Section 466(a)(16) of the Social Security Act (42 U.S.C. 666(a)(16)) is amended by inserting "and sporting" after "recreational".

SEC. 315. INTERNATIONAL SUPPORT ENFORCEMENT.

Section 454(32)(A) of the Social Security Act (42 U.S.C. 654(32)(A)) is amended by striking "section 459A(d)(2)" and inserting "section 459A(d)".

SEC. 316. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES.

(a) COOPERATIVE AGREEMENTS BY INDIAN TRIBES AND STATES FOR CHILD SUPPORT ENFORCEMENT.—Section 454(33) of the Social Security Act (42 U.S.C. 654(33)) is amended—

(1) by striking "and enforce support orders, and" and inserting "or enforce support orders, or";

(2) by striking "guidelines established by such tribe or organization" and inserting "guidelines established or adopted by such tribe or organization";

(3) by striking "funding collected" and inserting "collections"; and

(4) by striking "such funding" and inserting "such collections".

(b) CORRECTION OF SUBSECTION DESIGNATION.—Section 455 of the Social Security Act (42 U.S.C. 655), is amended by redesignating subsection (b), as added by section 375(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193, 110 Stat. 2256), as subsection (f).

(c) DIRECT GRANTS TO TRIBES.—Section 455(f) of the Social Security Act (42 U.S.C. 655(f)), as redesignated by subsection (b), is amended to read as follows:

"(f) The Secretary may make direct payments under this part to an Indian tribe or tribal organization that demonstrates to the satisfaction of the Secretary that it has the capacity to operate a child support enforcement program meeting the objectives of this part, including establishment of paternity, establishment, modification, and enforcement of support orders, and location of absent parents. The Secretary shall promulgate regulations establishing the requirements which must be met by

an Indian tribe or tribal organization to be eligible for a grant under this subsection.".

SEC. 317. CONTINUATION OF RULES FOR DISTRIBUTION OF SUPPORT IN THE CASE OF A TITLE IV–E CHILD.

Section 457 of the Social Security Act (42 U.S.C. 657) is amended—

(1) in subsection (a), in the matter preceding paragraph (1), by striking "subsection (e)" and inserting "subsections (e) and (f)"; and

(2) by adding at the end, the following:

"(f) Notwithstanding the preceding provisions of this section, amounts collected by a State as child support for months in any period on behalf of a child for whom a public agency is making foster care maintenance payments under part E—

"(1) shall be retained by the State to the extent necessary to reimburse it for the foster care maintenance payments made with respect to the child during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(2) shall be paid to the public agency responsible for supervising the placement of the child to the extent that the amounts collected exceed the foster care maintenance payments made with respect to the child during such period but not the amounts required by a court or administrative order to be paid as support on behalf of the child during such period; and the responsible agency may use the payments in the manner it determines will serve the best interests of the child, including setting such payments aside for the child's future needs or making all or a part thereof available to the person responsible for meeting the child's day-to-day needs; and

"(3) shall be retained by the State, if any portion of the amounts collected remains after making the payments required under paragraphs (1) and (2), to the extent that such portion is necessary to reimburse the State (with appropriate reimbursement to the Federal Government to the extent of its participation in the financing) for any past foster care maintenance payments (or payments of assistance under the State program funded under part A) which were made with respect to the child (and with respect to which past collections have not previously been retained);

and any balance shall be paid to the State agency responsible for supervising the placement of the child, for use by such agency in accordance with paragraph (2).".

SEC. 318. GOOD CAUSE IN FOSTER CARE AND FOOD STAMP CASES.

(a) STATE PLAN.—Section 454(4)(A)(i) of the Social Security Act (42 U.S.C. 654(4)(A)(i)) is amended—

(1) by striking "or" before "(III)"; and

(2) by inserting "or (IV) cooperation is required pursuant to section 6(*l*)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(*l*)(1))," after "title XIX,".

(b) CONFORMING AMENDMENTS.—Section 454(29) of the Social Security Act (42 U.S.C. 654(29)) is amended—

(1) in subparagraph (A)—

(A) in the matter preceding clause (i), by striking "part A of this title or the State program under title XIX" and inserting "part A, the State program under part E, the State program under title XIX, or the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)),"; and

(B) by striking clauses (i) and (ii) and all that follows through the semicolon and inserting the following:

"(i) in the case of the State program funded under part A, the State program under part E, or the State program under title XIX shall, at the option of the State, be defined, taking into account the best interests of the child, and applied in each case, by the State agency administering such program; and

"(ii) in the case of the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)), shall be defined and applied in each case under that program in accordance with section 6(*l*)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(*l*)(2));";

(2) in subparagraph (D), by striking "or the State program under title XIX" and inserting "the State program under part E, the State program under title XIX, or the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h))"; and

(3) in subparagraph (E), by striking "individual," and all that follows through "XIX," and inserting "individual and the State agency administering the State program funded under part A, the State agency administering the State program under part E, the State agency administering the State program under

title XIX, or the State agency administering the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)),".

SEC. 319. DATE OF COLLECTION OF SUPPORT.

Section 454B(c)(1) of the Social Security Act (42 U.S.C. 654B(c)(1)) is amended by adding at the end the following: "The date of collection for amounts collected and distributed under this part is the date of receipt by the State disbursement unit, except that if current support is withheld by an employer in the month when due and is received by the State disbursement unit in a month other than the month when due, the date of withholding may be deemed to be the date of collection.".

SEC. 320. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.

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

"(14) HIGH-VOLUME, AUTOMATED ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—

"(A) IN GENERAL.—Procedures under which—

"(i) the State shall use high-volume automated administrative enforcement, to the same extent as used for intrastate cases, in response to a request made by another State to enforce support orders, and shall promptly report the results of such enforcement procedure to the requesting State;

"(ii) the State may, by electronic or other means, transmit to another State a request for assistance in enforcing support orders through high-volume, automated administrative enforcement, which request—

"(I) shall include such information as will enable the State to which the request is transmitted to compare the information about the cases to the information in the data bases of the State; and

"(II) shall constitute a certification by the requesting State—

"(aa) of the amount of support under an order the payment of which is in arrears; and

"(bb) that the requesting State has complied with all procedural due process requirements applicable to each case;

"(iii) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

"(iv) the State shall maintain records of—

"(I) the number of such requests for assistance received by the State;

"(II) the number of cases for which the State collected support in response to such a request; and

"(III) the amount of such collected support.

"(B) HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT.—In this part, the term 'high-volume automated administrative enforcement' means the use of automatic data processing to search various State data bases, including license records, employment service data, and State new hire registries, to determine whether information is available regarding a parent who owes a child support obligation.".

(b) INCENTIVE PAYMENTS.—Section 458(d) of the Social Security Act (42 U.S.C. 658(d)) is amended by inserting ", including amounts collected under section 466(a)(14)," after "another State".

SEC. 321. WORK ORDERS FOR ARREARAGES.

Section 466(a)(15) of the Social Security Act (42 U.S.C. 666(a)(15)) is amended to read as follows:

"(15) PROCEDURES TO ENSURE THAT PERSONS OWING OVERDUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—Procedures under which the State has the authority, in any case in which an individual owes overdue support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

"(A) 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

"(B) 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.".

SEC. 322. ADDITIONAL TECHNICAL STATE PLAN AMENDMENTS.

Section 454 of the Social Security Act (42 U.S.C. 654) is amended—

(1) in paragraph (8)—

(A) in the matter preceding subparagraph (A)—

(i) by striking "noncustodial"; and

(ii) by inserting ", for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or making or enforcing a child custody or visitation determination, as defined in section 463(d)(1)" after "provide that";

(B) in subparagraph (A), by striking the comma and inserting a semicolon;

(C) in subparagraph (B), by striking the semicolon and inserting a comma; and

(D) by inserting after subparagraph (B), the following flush language:

"and shall, subject to the privacy safeguards required under paragraph (26), disclose only the information described in sections 453 and 463 to the authorized persons specified in such sections for the purposes specified in such sections;";

(2) in paragraph (17)—

(A) by striking "in the case of a State which has" and inserting "provide that the State will have"; and

(B) by inserting "and" after "section 453,"; and

(3) in paragraph (26)—

(A) in the matter preceding subparagraph (A), by striking "will";

(B) in subparagraph (A)—

(i) by inserting ", modify," after "establish", the second place it appears; and

(ii) by inserting ", or to make or enforce a child custody determination" after "support";

(C) in subparagraph (B)—

(i) by inserting "or the child" after "1 party";

(ii) by inserting "or the child" after "former party"; and

(iii) by striking "and" at the end;

(D) in subparagraph (C)—

(i) by inserting "or the child" after "1 party";

(ii) by striking "another party" and inserting "another person";

(iii) by inserting "to that person" after "release of the information"; and

(iv) by striking "former party" and inserting "party or the child"; and

(E) by adding at the end the following:

"(D) in cases in which the prohibitions under subparagraphs (B) and (C) apply, the requirement to notify the Secretary, for purposes of section 453(b)(2), that the State has reasonable evidence of domestic violence or child abuse against a party or the child and that the disclosure of such information could be harmful to the party or the child; and

"(E) procedures providing that when the Secretary discloses information about a parent or child to a State court or an agent of a State court described in section 453(c)(2) or 463(d)(2)(B), and advises that court or agent that the Secretary has been notified that there is reasonable evidence of domestic violence or child abuse pursuant to section 453(b)(2), the court shall determine whether disclosure to any other person of information received from the Secretary could be harmful to the parent or child and, if the court determines that disclosure to any other person could be harmful, the court and its agents shall not make any such disclosure;".

SEC. 323. FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS.

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

(1) in paragraph (1), by inserting "and order" after "with respect to each case"; and

(2) in paragraph (2)—

(A) in the heading, by inserting "AND ORDER" after "CASE";

(B) by inserting "or an order" after "with respect to a case" and

(C) by inserting "or order" after "and the State or States which have the case".

SEC. 324. FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS.

Section 1738B(f) of title 28, United States Code, is amended—

(1) in paragraph (4), by striking "a court may" and all that follows and inserting "a court having jurisdiction over the parties shall issue a child support order, which must be recognized."; and

(2) in paragraph (5), by inserting "under subsection (d)" after "jurisdiction".

SEC. 325. DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.

(a) DEFINITION OF STATE.—Section 455(a)(3)(B) of the Social Security Act (42 U.S.C. 655(a)(3)(B)) is amended—

(1) in clause (i)—

(A) by inserting "or system described in clause (iii)" after "each State"; and

(B) by inserting "or system" after "the State"; and

(2) by adding at the end the following:

"(iii) For purposes of clause (i), a system described in this clause is a system that has been approved by the Secretary to receive enhanced funding pursuant to the Family Support Act of 1988 (Public Law 100–485; 102 Stat. 2343) for the purpose of developing a system that meets the requirements of sections 454(16) (as in effect on and after September 30, 1995) and 454A, including systems that have received funding for such purpose pursuant to a waiver under section 1115(a).".

(b) TEMPORARY LIMITATION ON PAYMENTS.—Section 344(b)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (42 U.S.C. 655 note) is amended—

(1) in subparagraph (B)—

(A) by inserting "or a system described in subparagraph (C)" after "to a State"; and

(B) by inserting "or system" after "for the State"; and

(2) in subparagraph (C), by striking "Act," and all that follows and inserting "Act, and among systems that have been approved by the Secretary to receive enhanced funding pursuant to the Family Support Act of 1988 (Public Law 100–485; 102 Stat. 2343) for the purpose of developing a system that meets the requirements of sections 454(16) (as in effect on and after September 30, 1995) and 454A, including systems that have received funding for such purpose pursuant to a waiver under section 1115(a), which shall take into account—

"(i) the relative size of such State and system caseloads under part D of title IV of the Social Security Act; and

"(ii) the level of automation needed to meet the automated data processing requirements of such part.".

SEC. 326. ADDITIONAL TECHNICAL AMENDMENTS.

(a) ELIMINATION OF SURPLUSAGE.—Section 466(c)(1)(F) of the Social Security Act (42 U.S.C. 666(c)(1)(F)) is amended by striking "of section 466".

(b) CORRECTION OF AMBIGUOUS AMENDMENT.—Section 344(a)(1)(F) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2234) is amended by inserting "the first place such term appears" before "and all that follows".

(c) CORRECTION OF ERRONEOUSLY DRAFTED PROVISION.—Section 215 of the Department of Health and Human Services Appropriations Act, 1997, (as contained in section 101(e) of the Omnibus Consolidated Appropriations Act, 1997) is amended to read as follows:

"SEC. 215. Sections 452(j) and 453(o) of the Social Security Act (42 U.S.C. 652(j) and 653(o)), as amended by section 345 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2237) are each amended by striking 'section 457(a)' and inserting 'a plan approved under this part'. Amounts available under such sections 452(j) and 453(o) shall be calculated as though the amendments made by this section were effective October 1, 1995.".

(d) ELIMINATION OF SURPLUSAGE.—Section 456(a)(2)(B) of the Social Security Act (42 U.S.C. 656(a)(2)(B)) is amended by striking ", and" and inserting a period.

(e) CORRECTION OF DATE.—Section 466(a)(1)(B) of the Social Security Act (42 U.S.C. 666(a)(1)(B)) is amended by striking "October 1, 1996" and inserting "January 1, 1994".

SEC. 327. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b), the amendments made by this title shall take effect as if included in the enactment of title III of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105).

(b) EXCEPTION.—The amendments made by section 302(b)(2) shall take effect as if the amendments had been included in the enactment of section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2112).

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

Subtitle A—Eligibility for Federal Benefits

SEC. 401. ALIEN ELIGIBILITY FOR FEDERAL BENEFITS: LIMITED APPLICATION TO MEDICARE AND BENEFITS UNDER THE RAILROAD RETIREMENT ACT.

(a) LIMITED APPLICATION TO MEDICARE.—Section 401(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) is amended by adding at the end the following:

"(3) Subsection (a) shall not apply to any benefit payable under title XVIII of the Social Security Act (relating to the medicare program) to an alien who is lawfully present in the United States as determined by the Attorney General and, with respect to benefits payable under part A of such title, who was authorized to be employed with respect to any wages attributable to employment which are counted for purposes of eligibility for such benefits.".

(b) LIMITED APPLICATION TO BENEFITS UNDER THE RAILROAD RETIREMENT ACT.—Section 401(b) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(b)) (as amended by subsection (a)) is amended by inserting at the end the following:

"(4) Subsection (a) shall not apply to any benefit payable under the Railroad Retirement Act of 1974 or the Railroad Unemployment Insurance Act to an alien who is lawfully present in the United States as determined by the Attorney General or to an alien residing outside the United States.".

SEC. 402. EXCEPTIONS TO BENEFIT LIMITATIONS: CORRECTIONS TO REFERENCE CONCERNING ALIENS WHOSE DEPORTATION IS WITHHELD.

Sections 402(a)(2)(A)(iii), 402(b)(2)(A)(iii), 403(b)(1)(C), 412(b)(1)(C), and 431(b)(5) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(A)(iii), 1612(b)(2)(A)(iii), 1613(b)(1)(C), 1622(b)(1)(C), and 1641(b)(5)) are each amended by striking "section 243(h) of such Act" each place it appears and inserting "section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)".

SEC. 403. VETERANS EXCEPTION: APPLICATION OF MINIMUM ACTIVE DUTY SERVICE REQUIREMENT; EXTENSION TO UNREMARRIED SURVIVING SPOUSE; EXPANDED DEFINITION OF VETERAN.

(a) APPLICATION OF MINIMUM ACTIVE DUTY SERVICE REQUIREMENT.—Sections 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and 412(b)(3)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(i), 1612(b)(2)(C)(i), 1613(b)(2)(A), and 1622(b)(3)(A)) are each amended by inserting "and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code" after "alienage".

(b) EXCEPTION APPLICABLE TO UNREMARRIED SURVIVING SPOUSE.—Section 402(a)(2)(C)(iii), 402(b)(2)(C)(iii), 403(b)(2)(C), and 412(b)(3)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(iii), 1612(b)(2)(C)(iii), 1613(b)(2)(C), and 1622(b)(3)(C)) are each amended by inserting before the period "or the unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code".

(c) EXPANDED DEFINITION OF VETERAN.—Sections 402(a)(2)(C)(i), 402(b)(2)(C)(i), 403(b)(2)(A), and 412(b)(3)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(C)(i), 1612(b)(2)(C)(i), 1613(b)(2)(A), and 1622(b)(3)(A)) are each amended by inserting ", 1101, or 1301, or as described in section 107" after "section 101".

SEC. 404. CORRECTION OF REFERENCE CONCERNING CUBAN AND HAITIAN ENTRANTS.

Section 403(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(d)) is amended—

(1) by striking "section 501 of the Refugee" and insert "section 501(a) of the Refugee"; and

(2) by striking "section 501(e)(2)" and inserting "section 501(e)".

SEC. 405. NOTIFICATION CONCERNING ALIENS NOT LAWFULLY PRESENT: CORRECTION OF TERMINOLOGY.

Section 1631(e)(9) of the Social Security Act (42 U.S.C. 1383(e)(9)) and section 27 of the United States Housing Act of 1937, as added by section 404 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, are each amended by striking "unlawfully in the United States" each place it appears and inserting "not lawfully present in the United States".

SEC. 406. FREELY ASSOCIATED STATES: CONTRACTS AND LICENSES.

Sections 401(c)(2)(A) and 411(c)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1611(c)(2)(A) and 1621(c)(2)(A)) are each amended by inserting before the semicolon at the end ", or to a citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99–239 or 99–658 (or a successor provision) is in effect".

SEC. 407. CONGRESSIONAL STATEMENT REGARDING BENEFITS FOR HMONG AND OTHER HIGHLAND LAO VETERANS.

(a) FINDINGS.—The Congress makes the following findings:

(1) Hmong and other Highland Lao tribal peoples were recruited, armed, trained, and funded for military operations by the United States Department of Defense, Central Intelligence Agency, Department of State, and Agency for International Development to further United States national security interests during the Vietnam conflict.

(2) Hmong and other Highland Lao tribal forces sacrificed their own lives and saved the lives of American military personnel by rescuing downed American pilots and aircrews and by engaging and successfully fighting North Vietnamese troops.

(3) Thousands of Hmong and other Highland Lao veterans who fought in special guerilla units on behalf of the United States during the Vietnam conflict, along with their families, have been lawfully admitted to the United States in recent years.

(4) The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193), the new national welfare reform law, restricts certain welfare benefits for noncitizens of the United States and the exceptions for noncitizen veterans of the Armed Forces of the United States do not extend to Hmong veterans of the Vietnam conflict era, making Hmong veterans and their families receiving certain welfare benefits subject to restrictions despite their military service on behalf of the United States.

(b) CONGRESSIONAL STATEMENT.—It is the sense of the Congress that Hmong and other Highland Lao veterans who fought on behalf of the Armed Forces of the United States during the Vietnam conflict and have lawfully been admitted to the United States for permanent residence should be considered veterans for purposes of continuing certain welfare benefits consistent with the exceptions provided other noncitizen veterans under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Subtitle B—General Provisions

SEC. 411. DETERMINATION OF TREATMENT OF BATTERED ALIENS AS QUALIFIED ALIENS; INCLUSION OF ALIEN CHILD OF BATTERED PARENT AS QUALIFIED ALIEN.

(a) DETERMINATION OF STATUS BY AGENCY PROVIDING BENEFITS.—Section 431 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641) is amended in subsections (c)(1)(A) and (c)(2)(A) by striking "Attorney General, which opinion is not subject to review by any court)" each place it appears and inserting "agency providing such benefits)".

(b) GUIDANCE ISSUED BY ATTORNEY GENERAL.—Section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is amended by adding at the end the following new undesignated paragraph:

"After consultation with the Secretaries of Health and Human Services, Agriculture, and Housing and Urban Development, the Commissioner of Social Security, and with the heads of such Federal agencies administering benefits as the Attorney General considers appropriate, the Attorney General shall issue guidance (in the Attorney General's sole and unreviewable discretion) for purposes of this subsection and section 421(f), concerning the meaning of the terms 'battery' and 'extreme cruelty', and the standards and methods to be used for determining whether a substantial connection exists between battery or cruelty suffered and an individual's need for benefits under a specific Federal, State, or local program.".

(c) INCLUSION OF ALIEN CHILD OF BATTERED PARENT AS QUALIFIED ALIEN.—Section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)) is amended—

(1) at the end of paragraph (1)(B)(iv) by striking "or";

(2) at the end of paragraph (2)(B) by striking the period and inserting "; or"; and

(3) by inserting after paragraph (2)(B) and before the last sentence of such subsection the following new paragraph:

"(3) an alien child who—

"(A) resides in the same household as a parent who has been battered or subjected to extreme cruelty in the United States by that parent's spouse or by a member of the spouse's family residing in the same household as the parent and the spouse consented or acquiesced to such battery or cruelty, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

"(B) who meets the requirement of subparagraph (B) of paragraph (1).".

(d) INCLUSION OF ALIEN CHILD OF BATTERED PARENT UNDER SPECIAL RULE FOR ATTRIBUTION OF INCOME.—Section 421(f)(1)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(f)(1)(A)) is amended—

(1) at the end of clause (i) by striking "or"; and

(2) by striking "and the battery or cruelty described in clause (i) or (ii)" and inserting "or (iii) the alien is a child whose parent (who resides in the same household as the alien child) has been battered or subjected to extreme cruelty in the United States by that parent's spouse, or by a member of the spouse's family residing in the same household as the parent and the spouse consented to, or acquiesced in, such battery or cruelty, and the battery or cruelty described in clause (i), (ii), or (iii)".

SEC. 412. VERIFICATION OF ELIGIBILITY FOR BENEFITS.

(a) REGULATIONS AND GUIDANCE.—Section 432(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1642(a)) is amended—

(1) by inserting at the end of paragraph (1) the following: "Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall issue interim verification guidance."; and

(2) by adding after paragraph (2) the following new paragraph:

"(3) Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General shall promulgate regulations which set forth the procedures by which a State or local government can verify whether an alien applying for a State or local public benefit is a qualified alien, a nonimmigrant under the Immigration and Nationality Act, or an alien paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for less than 1 year, for purposes of determining whether the alien is ineligible for benefits under section 411 of this Act.".

(b) DISCLOSURE OF INFORMATION FOR VERIFICATION.—Section 384(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208) is amended by adding after paragraph (4) the following new paragraph:

"(5) The Attorney General is authorized to disclose information, to Federal, State, and local public and private agencies providing benefits, to be used solely in making determinations of eligibility for benefits pursuant to section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.".

SEC. 413. QUALIFYING QUARTERS: DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION; CORRECTION TO ASSURE THAT CREDITING APPLIES TO ALL QUARTERS EARNED BY PARENTS BEFORE CHILD IS 18.

(a) DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION.—Section 435 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1645) is amended by adding at the end the following: "Notwithstanding section 6103 of the Internal Revenue Code of 1986, the Commissioner of Social Security is authorized to disclose quarters of coverage information concerning an alien and an alien's spouse or parents to a government agency for the purposes of this title.".

(b) CORRECTION TO ASSURE THAT CREDITING APPLIES TO ALL QUARTERS EARNED BY PARENTS BEFORE CHILD IS 18.—Section 435(1) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1645(1)) is amended by strik-

ing "while the alien was under age 18," and inserting "before the date on which the alien attains age 18,".

SEC. 414. STATUTORY CONSTRUCTION: BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE ONLY WITH RESPECT TO ALIENS PRESENT IN THE UNITED STATES.

Section 433 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1643) is amended—

(1) by redesignated subsections (b) and (c) as subsections (c) and (d); and

(2) by adding after subsection (a) the following new subsection:

"(b) BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE ONLY WITH RESPECT TO ALIENS PRESENT IN THE UNITED STATES.—Notwithstanding any other provision of this title, the limitations on eligibility for benefits under this title shall not apply to eligibility for benefits of aliens who are not residing, or present, in the United States with respect to—

"(1) wages, pensions, annuities, and other earned payments to which an alien is entitled resulting from employment by, or on behalf of, a Federal, State, or local government agency which was not prohibited during the period of such employment or service under section 274A or other applicable provision of the Immigration and Nationality Act; or

"(2) benefits under laws administered by the Secretary of Veterans Affairs.".

Subtitle C—Miscellaneous Clerical and Technical Amendments; Effective Date

SEC. 421. CORRECTING MISCELLANEOUS CLERICAL AND TECHNICAL ERRORS.

(a) INFORMATION REPORTING UNDER TITLE IV OF THE SOCIAL SECURITY ACT.—Effective July 1, 1997, section 408 of the Social Security Act (42 U.S.C. 608), as amended by section 103, and as in effect pursuant to section 116, of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, and as amended by section 106(e) of this Act, is amended by adding at the end the following new subsection:

"(f) STATE 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 not lawfully present in the United States.".

(b) MISCELLANEOUS CLERICAL AND TECHNICAL CORRECTIONS.—

(1) Section 411(c)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1621(c)(3)) is amended by striking "4001(c)" and inserting "401(c)".

(2) Section 422(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1632(a)) is amended by striking "benefits (as defined in section 412(c))," and inserting "benefits,".

(3) Section 412(b)(1)(C) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1622(b)(1)(C)) is amended by striking "withholding" and inserting "withholding".

(4) The subtitle heading for subtitle D of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended to read as follows:

"Subtitle D—General Provisions".

(5) The subtitle heading for subtitle F of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 is amended to read as follows:

"Subtitle F—Earned Income Credit Denied to Unauthorized Employees".

(6) Section 431(c)(2)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)(2)(B)) is amended by striking

"clause (ii) of subparagraph (A)" and inserting "subparagraph (B) of paragraph (1)".

(7) Section 431(c)(1)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1641(c)(1)(B)) is amended—

(A) in clause (iii) by striking ", or" and inserting "(as in effect prior to April 1, 1997),"; and

(B) by adding after clause (iv) the following new clause:

"(v) cancellation of removal pursuant to section 240A(b)(2) of such Act;".

SEC. 422. EFFECTIVE DATE.

Except as otherwise provided, the amendments made by this title shall be effective as if included in the enactment of title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

TITLE V—CHILD PROTECTION

SEC. 501. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO CHILD PROTECTION.

(a) METHODS PERMITTED FOR CONDUCT OF STUDY OF CHILD WELFARE.—Section 429A(a) of the Social Security Act (42 U.S.C. 628b(a)) is amended by inserting "(directly, or by grant, contract, or interagency agreement)" after "conduct".

(b) REDESIGNATION OF PARAGRAPH.—Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) by striking "and" at the end of paragraph (17);

(2) by striking the period at the end of paragraph (18) (as added by section 1808(a) of the Small Business Job Protection Act of 1996 (Public Law 104–188; 110 Stat. 1903)) and inserting "; and"; and

(3) by redesignating paragraph (18) (as added by section 505(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2278)) as paragraph (19).

SEC. 502. ADDITIONAL TECHNICAL AMENDMENTS RELATING TO CHILD PROTECTION.

(a) PART B AMENDMENTS.—

(1) IN GENERAL.—Part B of title IV of the Social Security Act (42 U.S.C. 620–635) is amended—

(A) in section 422(b)—

(i) by striking the period at the end of the paragraph (9) (as added by section 554(3) of the Improving America's Schools Act of 1994 (Public Law 103–382; 108 Stat. 4057)) and inserting a semicolon;

(ii) by redesignating paragraph (10) as paragraph (11); and

(iii) by redesignating paragraph (9), as added by section 202(a)(3) of the Social Security Act Amendments of 1994 (Public Law 103–432, 108 Stat. 4453), as paragraph (10);

(B) in sections 424(b) and 425(a), by striking "422(b)(9)" each place it appears and inserting "422(b)(10)"; and

(C) by transferring section 429A (as added by section 503 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2277)) to the end of subpart 1.

(2) CLARIFICATION OF CONFLICTING AMENDMENTS.—Section 204(a)(2) of the Social Security Act Amendments of 1994 (Public Law 103–432; 108 Stat. 4456) is amended by inserting "(as added by such section 202(a))" before "and inserting".

(b) PART E AMENDMENTS.—Section 472(d) of the Social Security Act (42 U.S.C. 672(d)) is amended by striking "422(b)(9)" and inserting "422(b)(10)".

SEC. 503. EFFECTIVE DATE.

The amendments made by this title shall take effect as if included in the enactment of title V of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2277).

TITLE VI—CHILD CARE

SEC. 601. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO CHILD CARE.

(a) FUNDING.—Section 418(a) of the Social Security Act (42 U.S.C. 618(a)) is amended—

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting "the greater of" after "equal to";

(B) in subparagraph (A)—

(i) by striking "the sum of";

(ii) by striking "amounts expended" and inserting "expenditures"; and

(iii) by striking "section—" and all that follows and inserting "subsections (g) and (i) of section 402 (as in effect before October 1, 1995); or";

(C) in subparagraph (B)—

(i) by striking "sections" and inserting "subsections"; and

(ii) by striking the semicolon at the end and inserting a period; and

(D) in the matter following subparagraph (B), by striking "whichever is greater."; and

(2) in paragraph (2)—

(A) by striking subparagraph (B) and inserting the following:

"(B) ALLOTMENTS TO STATES.—The total amount available for payments to States under this paragraph, as determined under subparagraph (A), shall be allotted among the States based on the formula used for determining the amount of Federal payments to each State under section 403(n) (as in effect before October 1, 1995).";

(B) by striking subparagraph (C) and inserting the following:

"(C) FEDERAL MATCHING OF STATE EXPENDITURES EXCEEDING HISTORICAL EXPENDITURES.—The Secretary shall pay to each eligible State for a fiscal year an amount equal to the lesser of the State's allotment under subparagraph (B) or the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as such section was in effect on September 30, 1995) of so much of the State's expenditures for child care in that fiscal year as exceed the total amount of expenditures by the State (including expenditures from amounts made available from Federal funds) in fiscal year 1994 or 1995 (whichever is greater) for the programs described in paragraph (1)(A).."; and

(C) in subparagraph (D)(i)—

(i) by striking "amounts under any grant awarded" and inserting "any amounts allotted"; and

(ii) by striking "the grant is made" and inserting "such amounts are allotted".

(b) DATA USED TO DETERMINE HISTORIC STATE EXPENDITURES.—Section 418(a) of the Social Security Act (42 U.S.C. 618(a)), is amended by adding at the end the following:

"(5) DATA USED TO DETERMINE STATE AND FEDERAL SHARES OF EXPENDITURES.—In making the determinations concerning expenditures required under paragraphs (1) and (2)(C), the Secretary shall use information that was reported by the State on ACF Form 231 and available as of the applicable dates specified in clauses (i)(I), (ii), and (iii)(III) of section 403(a)(1)(D).".

(c) DEFINITION OF STATE.—Section 418(d) of the Social Security Act (42 U.S.C. 618(d)) is amended by striking "or" and inserting "and".

SEC. 602. ADDITIONAL CONFORMING AND TECHNICAL AMENDMENTS.

The Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858 et seq.) is amended—

(1) in section 658E(c)(2)(E)(ii), by striking "tribal organization" and inserting "tribal organizations";

(2) in section 658K(a)—

(A) in paragraph (1)—

(i) in subparagraph (B)—

(I) by striking clause (iv) and inserting the following:

"(iv) whether the head of the family unit is a single parent;";

(II) in clause (v)—

(aa) in the matter preceding subclause (I), by striking "including the amount obtained from (and separately identified)—" and inserting "including—"; and

(bb) by striking subclause (II) and inserting the following:

"(II) cash or other assistance under—

"(aa) the temporary assistance for needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

"(bb) a State program for which State spending is counted toward the maintenance of effort requirement under section 409(a)(7) of the Social Security Act (42 U.S.C. 609(a)(7));"; and

(III) in clause (x), by striking "week" and inserting "month"; and

(ii) by striking subparagraph (D) and inserting the following:

"(D) USE OF SAMPLES.—

"(i) AUTHORITY.—A State may comply with the requirement to collect the information described in subparagraph (B) through the use of disaggregated case record information on a sample of families selected 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 samples of the information described in subparagraph (B). The Secretary may develop and implement procedures for verifying the quality of data submitted by the States."; and

(B) in paragraph (2)—

(i) in the heading, by striking "BIANNUAL" and inserting "ANNUAL"; and

(ii) by striking "6" and inserting "12";

(3) in section 658L, by striking "1997" and inserting "1998";

(4) in section 658O(c)(6)(C), by striking "(A)" and inserting "(B)"; and

(5) in section 658P(13), by striking "or" and inserting "and".

SEC. 603. REPEALS.

(a) CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE ACT OF 1985.—Title VI of the Human Services Reauthorization Act of 1986 (42 U.S.C. 10901–10905) is repealed.

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

(c) PROGRAMS OF NATIONAL SIGNIFICANCE.—Title X of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8001 et seq.) is amended—

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

(2) in section 10963(b)(2), by striking subparagraph (G); and

(3) in section 10974(a)(6), by striking subparagraph (G).

(d) NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.—Section 9205 of the Native Hawaiian Education Act (20 U.S.C. 7905) is repealed.

SEC. 604. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this title and the amendments made by this title shall take effect as if included in the enactment of title VI of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2278).

(b) EXCEPTIONS.—The amendment made by section 601(a)(2)(B) and the repeal made by section 603(d) shall each take effect on October 1, 1997.

I. INTRODUCTION

A. PURPOSE AND SCOPE

Last year, Congress passed and President Clinton signed legislation (Public Law 104–193) that substantially reformed the nation's welfare policy. The scope of the welfare reform legislation was exceptionally broad. Most of the social programs under the Committee's jurisdiction were amended, often substantially. The Aid to Families with Dependent Children (AFDC) program was completely eliminated and replaced by the Temporary Assistance for Needy Families (TANF) program.

Because of the broad scope of the original legislation, and because other legislation, notably the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208), contained provisions affecting the welfare reform legislation, it was anticipated that both the Administration and Congress

would need time to carefully study the texts of the various bills and to prepare legislation that would correct drafting errors, amend incompatibilities between bills, clarify ambiguous language, and make minor changes that would better achieve the purposes of the original legislation.

Thus, the purpose of the technical corrections bill (H.R. 1048) is to make technical and conforming amendments in the welfare reform legislation so that the provisions achieve the underlying policy intent of Congress. The technical corrections bill contains provisions applying to all the programs amended by the welfare reform bill, including: the TANF program, the Supplemental Security Income program, the Child Support Enforcement program, the adoption and foster care program, welfare policy for noncitizens, and child care programs under Title IV–A of the Social Security Act.

B. Background and Need for Legislation

Section 113 of last year's welfare reform legislation required the Secretary of Health and Human Services and the Commissioner of Social Security to submit to the Committee within 90 days of enactment a legislative proposal for technical and conforming amendments "to bring the law into conformity with the policy embodied" in the legislation. The Committee, in consultation with the Administration and the Senate Finance Committee, reviewed the proposal submitted by the Secretary last December. The Administration's proposal became the basis for the formulation of the technical corrections bill.

In addition to Administration recommendations, the Subcommittee solicited suggestions for technical amendments from interested individuals and groups. After receiving the Administration's proposal in December, the Subcommittee reviewed both the Administration's recommendations and scores of other proposals on a bipartisan basis. Only those judged to be of a technical nature and that were agreed to by both Republicans and Democrats in the House and Senate and by the Administration were included in the Committee bill.

More than 200 technical corrections and minor amendments comprise the Committee bill. If enacted, the legislation will clear up numerous inconsistencies in the statutes, clarify statutory language, eliminate conflicting provisions across the various titles of the Social Security Act and between the Social Security Act and other federal statutes, and create minor changes in legislative provisions that will facilitate the policy underlying the original legislation.

C. Legislative History

Committee bill

H.R. 1048 was introduced on March 12, 1997 by Chairman Shaw and Mr. Levin of the Subcommittee on Human Resources. The full Committee on Ways and Means considered the technical corrections legislation on April 23, 1997 and ordered it favorably reported, as amended, on Wednesday, April 23, 1997. The Subcommittee on Human Resources considered H.R. 1048 and ordered it favorably reported, as amended, on April 9, 1997.

Legislative hearings

The Subcommittee on Human Resources of the Committee on Ways and Means held a hearing February 26, 1997 on technical amendments to the welfare reform law (Public Law 104–193) passed in 1996.

II. EXPLANATION OF PROVISIONS

Title I—Block Grants for Temporary Assistance for Needy Families

1. AMENDMENT OF THE SOCIAL SECURITY ACT (SECTION 101)

Present law

No provision.

Explanation of provision

Unless otherwise indicated, the amendments described in the technical corrections bill are amendments of the Social Security Act as amended by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Reason for change

This provision is included to clarify that amendments in the technical corrections bill, unless otherwise noted, are amendments to the Social Security Act.

Effective date

Upon enactment of the technical corrections bill.

2. ELIGIBLE STATES; STATE PLAN (SECTION 102)

Present law

States are required to submit a State plan to the Secretary every 2 years to be eligible for grants. States must submit plans before October 1 of the year in which the plan is due. The document must outline how the State intends to conduct its benefit program; serve all political subdivisions in the State; provide parents with job preparation, work, and support services; require parents or caretakers receiving assistance to engage in work after, at most, 24 months of benefits; take such reasonable steps as the State deems necessary to restrict the disclosure of information about individuals and families; establish goals and take action to prevent and reduce the incidence of nonmarital births; and provide education and training programs for public officials on statutory rape. The document must also contain several certifications by the governor, including that: the State will operate a child support enforcement program; the State will operate a foster care and adoption program; a given State agency will administer and supervise the program; Indians will be provided with equitable access to assistance; and the State will have standards and procedures to ensure against program fraud and abuse. States must also make a summary of the document available to the public. (Section 402)

Explanation of provision

(a) Later Deadline for Submission of State Plans.—Gives States an additional quarter to submit their biennial State plan.

(b) Clarification of Scope of Work Provisions.—Requires States to describe how they intend to require recipients to work (as defined by the State) within 2 years, consistent with the exemption for families with children under age 6 that cannot find child care.

(c) Correction of Cross-Reference.—Corrects a cross-reference to the definition of "illegitimacy ratio".

(d) Notification of Plan Amendments.—Requires States to report all changes in their State plans to the Secretary within 30 days. Also requires States to make available to the public a summary of any plan amendment.

Reason for change

(a) Later Deadline for Submission of State Plans.—In the past, many States have needed some extra time to submit plans, especially when approval by the State legislature is required. Allowing States an extra quarter to submit a biennial plan is a reasonable approach to this problem.

(b) Clarification of Scope of Work Provisions.—The Act did not contain a clear provision requiring States to observe the exemption for single-parent families with children under age 6 that cannot find child care when they planned their work program for adults who had received benefits for at least 2 years. This provision ensures that States observe the under-age-6 exemption.

(c) Correction of Cross-Reference.—Correcting the cross-reference promotes internal consistency in the statute and improves readability.

(d) Notification of Plan Amendments.—Congress and the public have a right to know how Federal tax dollars are being spent. The Act did not require States to inform the Federal government of plan changes, nor did it require States to inform citizens of program changes. This amendment fixes both problems.

Effective date

August 22, 1996.

3. GRANTS TO STATES (SECTION 103)

Present law

States are provided with entitlement grant funds for the fiscal years 1996 through 2002. Each State's grant is based on the Federal funds it received under the former programs of Aid to Families with Dependent Children, Job Opportunities and Basic Skills (JOBS), and Emergency Assistance in 1994, 1995, or the average of the years 1992 through 1994. Up to five States (defined to include Puerto Rico, Guam, the Virgin Islands and American Samoa) are also eligible to receive bonus grants of $20 million per year for achieving the largest decreases, compared to other States, in the number of out-of-wedlock births (according to the most recently available 2-year data) while decreasing their abortion rate below the Fiscal Year 1995 level. (If fewer than five States qualify, the bonus is increased to $25 million.) States that have low Federal

welfare funding per poor person and a population growth rate that is above the national average are also entitled to additional funding in the years 1998 through 2001. States that achieve high performance in meeting the goals of the program—providing assistance to needy families with children, ending dependence on public welfare benefits, preventing and reducing nonmarital births, and encouraging the formation and maintenance of 2-parent families—are eligible for cash bonuses. The Secretary, in consultation with others, is directed to establish a formula for measuring performance. Performance scores are to determine bonus awards, funded by an entitlement appropriation of $1 billion for five years, 1999 through 2003. States that have high unemployment (at least 6.5 percent and up 10 percent or more from the comparable period in at least one of the two preceding years) or a substantial increase in food stamp recipients (10 percent above same period of Fiscal Year 1994 or Fiscal Year 1995, assuming the new law had been in effect throughout Fiscal Year 1994) are entitled to matching grants out of a contingency fund, provided their State spending under the TANF program exceeds 100% of its "historic" level. Historic spending level is Fiscal Year 1994 State spending on AFDC, JOBS, Emergency Assistance, and AFDC-related child care. Monthly payments from the contingency fund cannot exceed 1/12th of 20 percent of the State TANF grant. (Section 403)

Explanation of provision

(a) Bonus for Decrease in Illegitimacy Modified to Take Account of Certain Territories.—Modifies the bonus for reducing illegitimacy for the territories (except Puerto Rico) by setting the bonus amount at 25 percent of their public assistance funding ceilings; Puerto Rico continues to be treated like a State. In years in which Guam, the Virgin Islands, or American Samoa earns the illegitimacy reduction bonus, up to five States may still receive bonuses in addition to the qualifying territories. However, amounts awarded to States that qualify for the bonus are adjusted to keep the total of all bonuses paid to States and territories at $100 million. Also provides that the ranking of the States and Puerto Rico is not affected by the size of the reduction in illegitimacy ratio achieved by one of the three territories.

(b) Computation of Bonus Based on Ratios of Out-of-Wedlock Births to All Births Instead of Numbers of Out-of-Wedlock Births.—Changes the basis of the calculation of nonmarital births for the illegitimacy reduction bonus from the number of nonmarital births to the ratio of nonmarital births to all births and in a new clause defines the term "illegitimacy ratio".

(c) Use of Calendar Year Data Instead of Fiscal Year Data in Calculating Bonus for Decrease in Illegitimacy Ratio.—Changes the time period for the calculation of the illegitimacy reduction bonus from fiscal years to calendar years for which the most recent data are available because fiscal year data is not available in most States.

(d) Correction of Heading.—Corrects a heading by changing an incorrect reference from "1997" to "1998".

(e) Clarification of Contingency Fund Provision.—The contingency fund operates in two stages: 1) States get an advance pay-

ment of 1/12th of 20 percent of their block grant every month that they meet the trigger and then for 1 month after they no longer meet the trigger; and 2) an annual reconciliation is performed in which States are required to remit money they did not deserve, usually because either they did not achieve the 100 percent maintenance of effort requirement or they financed more of the extra spending from contingency fund advances than they should have. The primary change in the full committee amendment is how the annual reconciliation is conducted. Generally, countable expenditures are subtracted from historic state expenditures to compute a new measure called reimbursable expenditures. Countable expenditures are defined as qualified state expenditures (as defined in the Act) under the TANF program (minus spending on child care) plus expenditures made by States from contingency fund monthly advances. Historic state expenditures are the same as under the Act except that spending on AFDC-related child care is not counted. The amount to which States are entitled under the contingency fund equals reimbursable expenditures times the State medicaid match rate times the number of months in the year during which States were eligible divided by 12. This formula provides States with a Federal match on the amount of money they spent under the TANF program out of State funds that exceed the State's historic State expenditures prorated for the number of months during the year the State was eligible for contingency payments. This section also contains a slight modification of language to clarify that the Medicaid matching rate formula itself, and not the values for each State produced by the formula, is maintained as it existed on September 30, 1995.

(f) Administration of Contingency Fund Transferred to the Secretary of HHS.—Under the Act, administration of the contingency fund was given to the Secretary of Treasury; this amendment transfers administration to the Secretary of HHS.

Reason for change

(a) Bonus for Decrease in Illegitimacy Modified to Take Account of Certain Territories.—This amendment promotes equity between the States and territories by allowing territories to receive the bonus while still allowing up to five States (counting Puerto Rico as a State) to receive the bonus.

(b) Computation of Bonus Based on Ratios of Out-of-Wedlock Births to All Births Instead of Numbers of Out-of-Wedlock Births.—Basing the illegitimacy calculation on the number of nonmarital births suffers from the flaw that States could receive a bonus by virtue of decreased population. Clearly, the ratio of illegitimate births to total births is a preferable measure because it is relatively independent of population changes.

(c) Use of Calendar Year Data Instead of Fiscal Year Data in Calculating Bonus for Decrease in Illegitimacy Ratio.—Fiscal year data on births are unavailable in most States, making the calendar year data the only available source of information on births in most States.

(d) Correction of Heading.—Correcting the heading improves the accuracy of the statute and the usefulness of the heading.

(e) Clarification of Contingency Fund Provision.—The new method of calculating the State payment in the annual reconciliation was designed by the Committee to reduce complexity, eliminate multiple definitions of maintenance of effort, and to reduce confusion about the treatment of child care expenditures. In addition, because the text of the Act was unclear on whether the formula for calculating the Medicaid match rate formula itself or the value produced by the formula for each State was frozen on September 30, 1995, the amendment clarifies that it is the former that is frozen. Thus, the specific values produced by the formula can change over time.

(f) Administration of Contingency Fund Transferred to the Secretary of HHS.—Because the Secretary of Health and Human Services administers virtually all the other provisions of the Act, giving her jurisdiction over the contingency fund promotes consistency and facilitates administration and accountability.

Effective date

August 22, 1996.

4. USE OF GRANTS (SECTION 104)

Present law

States may use funds from their block grant in any manner that is reasonably calculated to assist needy families with children, provide parents with job preparation, work and support services, reduce welfare dependency, reduce nonmarital births, or increase the incidence of children living in 2-parent families. Funds may also be spent for any purpose that was authorized under the former Aid to Families with Dependent Children program or the former JOBS program (as they were in effect on September 30, 1995). Not more than 15 percent of the grant may be used for administration, not including expenditures on information technology and computerization needed for tracking and monitoring. Under certain circumstances, States may transfer up to 30 percent of their funds from the block grant to the Title XX block grant and the Child Care and Development Block Grant, but no more than 1/3 of total transfers may go to the former. (For every $1 that goes to Title XX, $2 must go to the child care block grant.) States may reserve funds, without fiscal year limitation, for use in the future. (Section 404)

Explanation of provision

This technical correction gives States the option of selecting "September 30, 1995" or "August 21, 1996" in order to allow States to use TANF funds for any purpose that was authorized between or prior to these two dates.

Reason for change

The Act allows States to spend funds for any purpose for which States could spend funds under the former Aid to Families with Dependent Children program as it was in effect on September 30, 1995. But some States received waivers under the AFDC program between September 30, 1995 and the date of enactment of the Act (August 22, 1996). Authority for States to spend money for pur-

poses established by these waivers would be lost after the waiver expires because of the September 30, 1995 effective date, unless extended through August 21, 1996 as under this technical change.

Effective date

August 22, 1996.

5. MANDATORY WORK REQUIREMENTS (SECTION 105)

Present law

States must engage a certain percentage of their caseload in "work activities," which are defined. The percentage increases from 25 percent in 1997 to 50 percent in 2002; similarly, (except for single parents of a child below age 6) the hours of work required increase from 20 hours, eventually reaching 30 hours per week; in the case of 2-parent families, the participation rate is 75 percent in 1997 and 1998 and 90 percent in 1999 and thereafter and the hourly work requirement is 35 hours per week in all years. The required work participation rate of a State is to be reduced if the caseload falls below the Fiscal Year 1995 level (for reasons other than changes in State eligibility rules or new Federal requirements). The participation rate is to be decreased by the number of percentage points by which the average annual caseload declines from the Fiscal Year 1995 level. If a recipient refuses to engage in required work, the State is to reduce the family's benefit at least pro rata, reducing benefits in proportion to the number of work hours that were not fulfilled, or to end assistance. At State option, single parents with children under age 1 can be exempted from the work requirements (and omitted from the work participation rate calculation). Single heads of household who are under age 20 and have not completed high school may meet the work requirement by satisfactory attendance at secondary school (or equivalent) or, for the number of hours shown above, by participating in education directly related to employment or the equivalent. States may not reduce the benefits of individuals for work refusal if they have a child under age 6 and demonstrate that they cannot obtain needed child care for specified reasons. Recipients cannot be employed in a position funded in whole or part with Federal funds if any other individual is on layoff from the same or any substantially equivalent job or 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 resulting vacancy with a TANF recipient. Job search may be counted as a work activity for only 6 weeks (12 weeks if the State's unemployment rate is 50% above the U.S. average). (Section 407)

Explanation of provision

(a) Family with a Disabled Parent Not Treated as a 2-Parent Family.—Changes the calculation of participation rates by requiring States to count 2-parent families in which one parent is disabled as a 1-parent family; these families would be subject to the all-family hourly work requirement, not the higher 2-family rule, and would be treated as 1-parent families in calculating work participation rates.

(b) Correction of Heading.—Clarifies a heading by adding "And Not Resulting from Changes in State Eligibility Criteria".

(c) State Option to Include Individuals Receiving Assistance Under a Tribal Work Program in Participation Rate Calculation.—Clarifies that States may exclude Indians who are covered by a tribal work program funded under this part from their calculation of participation rates.

(d) Sharing of 35-Hour Work Requirement Between Parents in 2-Parent Families.—Allows parents in 2-parent families to share the 35-hour work requirement. Clarifies that if 2-parent families receive child care, parents must work for a combined total of 55 hours.

(e) Clarification of Effort Required in Work Activities.—For consistency, occurrences of "making progress" are replaced with "participating".

(f) Additional Condition Under Which 12 Weeks of Job Search May Count as Work.—This has the unfortunate characteristic of making it harder for States to qualify additional weeks of job search during recessions. The amendment adds the food stamp and unemployment rate triggers of the contingency fund as optional triggers, giving States three potential triggers for counting more job search as work.

(g) Caretaker Relative of Child Under Age 6 Deemed to be Meeting Work Requirements if Engaged in Work for 20 Hours per Week.—Provides sole caretaker relatives of children under age 6 with the right to fulfill the work requirement by working 20 hours per week rather than 25 or 30 hours, as otherwise required after 1998.

(h) Extension to Married Teens of Rule That Receipt of Sufficient Education is Enough to Meet Work Participation Requirements.—Permits married teens, like unmarried teens, to meet the work participation requirement by satisfactory attendance at secondary school or by participating in education directly related to work.

(i) Clarification of Number of Hours of Participation in Education Directly Related to Employment That are Required in Order for Single Teen Head of Household or Married Teen to be Deemed to Be Engaged in Work.—Specifies that teen household heads (without a high school diploma) may qualify as participating in work if they are engaged in educational activities directly related to employment for at least an average of 20 hours per week.

(j) Clarification of Refusal to Work for Purposes of Work Penalties for Individuals.—Specifies that the exception to the penalty for refusal to work (for parents unable to find care for a child under age 6) applies to the refusal to engage in work required by the law.

Reason for change

(a) Family with a Disabled Parent Not Treated as a 2-Parent Family.—This amendment allows States to accommodate their work participation requirement to the needs of disabled parents.

(b) Correction of Heading.—Providing more information in a heading improves the readability of the statute.

(c) State Option to Include Individuals Receiving Assistance Under a Tribal Work Program in Participation Rate Calculation.—Given the likelihood of substantially higher unemployment on res-

ervations than in the rest of a State, and given the lack of authority States have over work programs on reservations, States should not be held accountable for work rates among tribes that conduct their own work programs.

(d) Sharing of 35-Hour Work Requirement Between Parents in 2-Parent Families.—Not only is it reasonable to allow parents in 2-parent families to share the 35-hour work requirement, but because both parents are gaining work experience as a result of their participation, these families may actually have an improved chance of finding full-time employment for at least one parent. Parents who share the work requirement and also receive child care must meet the rule stipulating that if 2-parent families receive subsidized child care, the second parent must work 20 hours. Thus, the combined number of hours for parents who share the 35-hour requirement must be 55 hours if they receive subsidized child care.

(e) Clarification of Effort Required in Work Activities.—This amendment is made to improve clarity and understanding of the statute.

(f) Additional Condition Under Which 12 Weeks of Job Search May Count as Work.—The present law has the unfortunate characteristic of making it harder for States to qualify for additional weeks of job search during recessions. The amendment adds the food stamp and unemployment rate triggers of the contingency fund as optional triggers, giving States three potential triggers for counting more job search as work. This provision allows States to avoid relying on the single trigger of the total unemployment rate as the only way to qualify for 6 additional weeks of job search. The original unemployment trigger would have made it more difficult for most States to use additional weeks of job search during recessions, precisely the time when additional job search is most needed.

(g) Caretaker Relative of Child Under Age 6 Deemed to be Meeting Work Requirements if Engaged in Work for 20 Hours per Week.—This provision promotes equity of treatment between sole caretaker relatives and single parents who are caring for children under age 6.

(h) Extension to Married Teens of Rule That Receipt of Sufficient Education is Enough to Meet Work Participation Requirements.—This provision promotes equity of treatment between unmarried and married teens with regard to the work requirement.

(i) Clarification of Number of Hours of Participation in Education Directly Related to Employment That are Required in Order for Single Teen Head of Household or Married Teen to be Deemed to Be Engaged in Work.—Extending the 20 hour education requirement to teen household heads who are in education directly related to work promotes equity between this group and teen parents who fulfill their work requirement by attending public school.

(j) Clarification of Refusal to Work for Purposes of Work Penalties for Individuals.—This amendment is made to improve clarity and understanding of the statute.

Effective date

August 22, 1996

6. PROHIBITIONS; REQUIREMENTS (SECTION 106)

Present Law

The Federal statute places several prohibitions and requirements on State use of block grant funds. These include no assistance for families without minor children (but assistance is allowed for a pregnant woman without a child), mandatory reduction of at least 25 percent in benefit payments to recipients who refuse to cooperate in establishing paternity or obtaining child support, refusal of assistance to families that do not assign the child's support rights to the State, refusal of assistance to unmarried teen parents who do not attend high school and live at home or in an adult-supervised setting, no spending on medical services (other than pregnancy family planning), no assistance to a family with an adult who has received TANF aid (as an adult) for five years (with hardship/battered person exceptions allowed for up to 20 percent of the caseload), denial of assistance for 10 years to anyone found to have fraudulently misrepresented residence in order to obtain assistance in two or more States, denial of assistance to fugitive felons and probation and parole violators, denial of assistance for minor children who are absent from home for a specified period, and requirements to provide Medicaid benefits to families that meet the income and resource requirements and other eligibility rules of the AFDC program, as in effect July 16, 1996 (with provision for raising income standards for price inflation). Medicaid transition benefits must be given to TANF families that lose cash aid because of employment or increased child support collection. In computing the 5-year time limit on benefits, months during which recipients lived in Indian tribes and Alaskan villages with unemployment of over 50 percent do not count toward the 5-year limit. The provision requires use of Federal data to compile the tribal and village unemployment rates. (Section 408)

Explanation of povision

(a) Elimination of Redundant Language; Clarification of Home Residence Requirement.—The language restricting use of TANF funds to families that include a minor child or a pregnant individual is modified to eliminate redundant language; in addition, language is added to clarify that the minor child provision of this section must be read in a manner that is consistent with the provision in another section that children may be outside the home for limited periods of time.

(b) Clarification of Terminology.—For purposes of clarity, the word "leave" [the TANF program] is replaced in several places by the phrase "ceases to receive assistance under" [the TANF program]. Similarly, the phrase "the date the family leaves the program" is replaced by the phrase "such date".

(c) Elimination of Space.—An inappropriate space is omitted from the statute in the section on the 5-Year Limit.

(d) Corrections to 5-Year Limit on Assistance.—The base period for the 20 percent hardship exemption is clarified by allowing States to use either the monthly average caseload from the immediately preceding fiscal year or the monthly average from the current year. In addition, the provision allowing exceptions to the 5-

year time limit for certain Indians living in areas of 50 percent or higher unemployment is clarified, and the definition of "Indian country" is clarified by adopting the definition in Title 18 of the U.S. Code. This provision also removes the requirement that only Federal data can be used to establish tribal and village unemployment rates.

(e) Reinstatement of Deeming and Other Rules Applicable to Aliens Who Entered the United States Under Affidavits of Support Formerly Used.—This amendment restores a variation of the deeming rules from prior law for sponsored noncitizens already in the U.S. on enactment or arriving prior to the implementation of the new affidavits of support. The provision makes deeming an option for States, in keeping with their option to provide TANF for legal noncitizens in the U.S. as of August 22, 1996. If States elect to provide TANF to this group and opt to deem sponsors' income, these rules would apply to aliens who entered less than 3 years before the date of enactment (8/22/96), or who entered after the date of enactment but before implementation of the new affidavits of support. In the latter case, deeming would not go into effect until the expiration of the 5-year ban against participation by new immigrants. Both groups are referred to as "non–213A aliens" because section 213A of the Immigration and Nationality Act sets up the rules for deeming for noncitizens arriving under the new affidavits of support. For non–213A aliens, deeming is continued for 3 years and the provision is updated in keeping with the new TANF rules and terminology.

Reason for change

(a) Elimination of Redundant Language; Clarification of Home Residence Requirement.—This change brings the provision restricting benefits to a family that does not have a child into alignment with another provision of the Act that permits children to be temporarily absent from the home for selected reasons.

(b) Clarification of Terminology.—These changes were made to bring consistent terminology to the statute.

(c) Elimination of Space.—This amendment promotes consistency in the way the statute is formatted.

(d) Corrections to 5-Year Limit on Assistance.—The Act did not clearly state how the 20 percent hardship exemption was to be calculated. This provision corrects this omission by allowing States to calculate the exemption based on either the previous fiscal year's caseload size or the caseload size in the current fiscal year. Provisions affecting Indians are clarified to improve the efficacy of this section in its application to Indians.

(e) Reinstatement of Deeming and Other Rules Applicable to Aliens Who Entered the United States Under Affidavits of Support Formerly Used.—The Act contained neither: (a) provisions from previous law that required certain aliens to have sponsors who could provide needed support if the alien lost a job or otherwise became unable to support herself, nor (b) deeming rules under which the income of the sponsor would be deemed to be available to the alien for purposes of calculating eligibility for public welfare programs. This provision allows States to elect whether to deem sponsors' income to noncitizens who arrived under the old affidavits of

support, and restores optional deeming rules closely resembling those of former law. These changes are made to reinforce State flexibility in providing TANF for current resident (as of August 22, 1996) noncitizens, while providing a specific set of deeming rules for those States that choose to continue deeming.

Effective Date

August 22, 1996

7. PENALTIES (SECTION 107)

Present law

States are subject to financial penalties if they violate certain provisions of the Federal statute. Violations subject to penalties include using grant money for unauthorized purposes, failing to submit required data reports, failing to meet the work participation standards, failing to participate in the Income and Eligibility Verification System, failing to penalize recipients who do not cooperate in the paternity establishment and child support enforcement requirements of Federal law, failing to maintain required levels of spending on State programs for eligible families (general maintenance-of-effort rule), failing to meet the Federal requirements for the State child support enforcement program, failing to comply with the 5-year time limit on assistance, failing to maintain the level of State spending under the TANF program required for access to the Contingency Fund (applies only to States that receive money from the Contingency Fund), failing to maintain assistance for adult single parents who cannot obtain child care for children under age 6, and failing to expend State funds to replace reductions in the Federal grant that were caused by imposition of penalties. Generally, the penalties are a fine of between 1 percent and 5 percent of the State's Temporary Assistance for Needy Families block grant for each violation. Except in two specified cases (failure to meet the general maintenance-of-effort spending rule and substantial noncompliance with child support enforcement rules), the Secretary may not impose a penalty if she determines that the State has "reasonable cause" for its violation. Except in the case of failure to repay a loan, the Secretary must allow a State an opportunity to enter into a corrective compliance plan before imposing a penalty. (Section 409)

Explanation of provision

(a) States Given More Time to File Quarterly Reports.—States are given 45 days rather than 1 month from the end of a quarter to file data reports.

(b) Treatment of Support Payments Passed Through to Families as Qualified State Expenditures.—For purposes of calculating maintenance of effort, qualified State expenditures are defined to include the State share of money collected by the State as child support on behalf of a family receiving aid under the State TANF program, distributed to the family, and disregarded for purposes of TANF eligibility. Only the State share of child support collections paid to families receiving assistance count toward qualified State expenditures and the support payments are counted only if the

amount of assistance received by the family is not reduced as a result of receiving the child support payments.

(c) Disregard of Expenditures Made to Replace Penalty Grant Reductions.—Prohibits States from counting funds used to pay for penalties imposed under the TANF block grant as payments toward the maintenance of effort requirement.

(d) Treatment of Families of Certain Aliens as Eligible Families.—By correcting a cross reference, clarifies that States may count dollars spent on noncitizen families lawfully present in the United States, and who would be eligible for TANF but for the 5-year prohibition on aid to newly arrived noncitizens, toward their maintenance of effort requirement.

(e) Elimination of Meaningless Language.—The meaningless language "reduced (if appropriate) in accordance with subparagraph (C)(ii)" is dropped.

(f) Clarification of Source of Data to Be Used in Determining Historic State Expenditures.—The Act did not specify the source of data to be used in computing the historic State expenditures needed to determine maintenance of effort; this oversight is corrected by directing HHS to use the same data sources as those used to determine the size of each State's TANF block grant.

(g) Clarification of Expenditures to Be Excluded in Determining Historic State Expenditures.—Clarifies that State funds spent as a condition of receiving other Federal funds may not count towards the State maintenance of effort requirement; also makes a minor wording change to ensure that State expenditures on the JOBS program are included in the maintenance of effort baseline, i.e., historic State expenditures.

(h) Conforming Title IV–A Penalties to Title IV–D Performance-Based Standards.—Under previous law, the Secretary was given authority to reduce IV–A (formerly AFDC, now TANF) payments to States that failed to meet the standards of the child support enforcement program. The Act substantially changed the audit procedures in the child support program in order to emphasize performance rather than process measures. This technical amendment conforms the penalty provisions in the TANF program to the new emphasis on performance rather than process measures. More specifically, the Secretary may penalize States, with graduated penalties that range between 1 and 5 percent of the TANF block grant amount, for failing to meet the paternity establishment percentages or other performance standards of the child support program or for either failing to submit required data or for submitting unreliable data to the Secretary. Before penalties are imposed, the State has a year to correct its failures.

(i) Correction of Reference to 5-Year Limit on Assistance.—A reference to the 5-year time limit is changed so that it refers to the correct subparagraph.

(j) Correction of Errors in Penalty for Failure to Meet Maintenance of Effort Requirement Applicable to the Contingency Fund.—This change makes the penalty for failure to maintain effort for States that access the contingency fund consistent with the calculation of contingency fund entitlements. States are required to spend with State dollars on their TANF program (less child care from State funds) at least what they spent in Fiscal Year 1994 on

AFDC, Emergency Assistance, and JOBS. If a State fails to spend at least the Fiscal Year 1994 level, it is penalized an amount equal to the contingency fund dollars it received during the fiscal year. The change also eliminates a potential "double penalty," by reducing the penalty by the amount the State already remitted of contingency fund overpayments.

(k) Penalties for State Failure to Expend Additional State Funds to Replace Grant Reductions.—States that do not restore with State money any funds that were deducted by the Secretary for penalty infractions may be penalized by up to 2 percent of the State's block grant amount by the Secretary.

(l) Elimination of Certain Reasonable Cause Exceptions.—The Act eliminated the maintenance of effort and child support penalties from the reasonable cause exceptions. The former was eliminated because Congress did not want exceptions from the maintenance of effort penalties, the latter because child support has its own penalty and reasonable cause provisions in a different section of the Act. This technical amendment also disallows reasonable cause exceptions to penalties required for failure to repay the loan fund, failure to meet the maintenance of effort requirement for the contingency fund, and failure to restore penalty payments to the block grant.

(m) Clarification of What It Means to Correct a Violation.—The section on corrective compliance plans repeatedly uses the verb "correct" to refer to action taken by a State to address violations of the Act. However, some violations, such as missing a deadline, cannot be "corrected". Use of the word "discontinued" raises problems because it implies that all States need to do when they have violated one of the penalty provisions is to discontinue the violation. In some cases, the State should make restitution as well as discontinue the offense. This amendment replaces "discontinue" with "correct or discontinue, as appropriate."

(n) Certain Penalties Not Avoidable Through Corrective Compliance Plans.—The Act exempted repayment of the loan fund from the provision forbidding the Secretary to impose a penalty before allowing the State to enter into a corrective compliance plan. This amendment makes the corrections (see 107(k) above) by denying corrective compliance machinery to failure to meet general spending effort, failure to meet child support rules, failure to maintain spending effort required for the contingency fund, and failure to restore penalty funds to the block grant.

Reason for change

(a) States Given More Time to File Quarterly Reports.—States were concerned that they would not be able to collect, store, and maintain the quality of program data plus prepare their data report for submission to Health and Human Services in just 30 days following the end of each quarter. Thus, States were given an extra 15 days to perform these functions.

(b) Treatment of Support Payments Passed Through to Families as Qualified State Expenditures.—In the case of families on welfare, the Act gave States the option of giving some or all of the child support payments from the noncustodial parent directly to the family. The Act did not, however, clarify whether such "spend-

ing" by the State would count toward maintenance of effort. In order to encourage States to provide child support to families on welfare, and thereby move them toward independence from welfare, States are allowed to count the entire amount given to the family toward their maintenance of effort requirement. States must ignore such payments when benefits from the TANF program are computed. (Regardless of the amount passed through to families, States are required to pay the Federal share of collections in these cases.)

(c) Disregard of Expenditures Made to Replace Penalty Grant Reductions.—States are not allowed to count penalty payments toward maintenance of effort because allowing them to do so would reduce the deterrent impact of penalties in encouraging States not to violate Federal requirements.

(d) Treatment of Families of Certain Aliens as Eligible Families.—The policy adopted by Congress was to allow spending on noncitizens otherwise eligible for public assistance (but for their noncitizen status, in keeping with the new 5-year restrictions on newly-arriving noncitizens) to count toward maintenance of effort. The cross-reference that permitted this policy was incorrect because it was carried over from a previous bill. This amendment brings the cross-reference into line with the intended policy.

(e) Elimination of Meaningless Language.—Eliminating meaningless language shortens the statute and makes it more readable.

(f) Clarification of Source of Data to Be Used in Determining Historic State Expenditures.—Specifying the source of data to be used in computing historic State expenditures removes uncertainty about how the computation is to be performed.

(g) Clarification of Expenditures to Be Excluded in Determining Historic State Expenditures.—The amendment clarifies the definition of "expenditures by the States" for the purpose of determining whether a State meets the maintenance of effort requirements. It eliminates the exclusion of "any State funds which are used to match Federal funds. * * *" That exclusion would have inadvertently eliminated from the definition of expenditures by the State those made under prior law Title IV–A and Title IV–F programs required to determine the FY1994 maintenance of effort threshold. It should be noted that the amendment retains language prohibiting a State from counting expenditures made as a condition of receiving Federal funds other than under TANF. Therefore, matching funds other than under TANF cannot count toward a State's meeting the maintenance of effort requirement.

(h) Conforming Title IV–A Penalties to Title IV–D Performance-Based Standards.—Conforming the penalty provisions in the TANF program to the new emphasis on State child support performance reinforces the intent of the new law and creates further pressure on States to improve performance in collecting child support.

(i) Correction of Reference to 5-Year Limit on Assistance.—Correcting the reference so that it refers to the 5-year time limit brings the statute into line with Congressional intent and makes the statute internally consistent.

(j) Correction of Errors in Penalty for Failure to Meet Maintenance of Effort Requirement Applicable to the Contingency Fund.—The provisions on the contingency fund in the Grants to States sec-

tion of the Act and the Penalty section of the Act were somewhat inconsistent. This amendment removes the inconsistencies so that the specific procedures by which the contingency fund operates are clarified. In addition, by eliminating State spending on child care, the amendment makes it somewhat easier for States to qualify for money from the contingency fund.

(k) Penalties for State Failure to Expend Additional State Funds to Replace Grant Reductions.—Congress required States to restore funds deducted from the Federal block grant to pay penalties because Congress did not want States to finance penalties with Federal funds. Unless there is a penalty for not restoring the funds, States would experience no financial consequence if they simply ignored the requirement. Thus, a modest penalty was added.

(l) Elimination of Certain Reasonable Cause Exceptions.—Disallowing reasonable cause exceptions to penalties imposed for failure to repay the loan fund, failure to meet the maintenance of effort requirement for the contingency fund, and failure to restore penalty payments to the block grant clarifies Congressional intent that penalties be imposed for these serious offenses without delay or exceptions. In the case of the loan fund, disallowing the reasonable cause exception also saves money because CBO estimated that States would be more likely to withdraw money from the loan fund if the only requirement were simply to repay the fund without penalty at a later date.

(m) Clarification of What It Means to Correct a Violation.—Requiring States to "correct a violation" is logically flawed because some violations, such as missing a deadline, cannot be fully corrected. The word "discontinue" is also flawed because in addition to discontinuing violations, in many cases it may be appropriate for States to take some action to compensate for the violation. Thus, the amendment requires that States "correct or discontinue [violations], as appropriate" thereby leaving discretion for the Secretary to require either or both actions, whichever is best suited in particular cases.

(n) Certain Penalties Not Avoidable Through Corrective Compliance Plans.—This amendment conforms the corrective compliance plan provision with the reasonable cause provision outlined in (k) above. Allowing corrective compliance plans but not reasonable cause exceptions, or vice versa, in the case of any given penalty would be inconsistent.

Effective date

August 22, 1996.

8. DATA COLLECTION AND REPORTING (SECTION 108)

Present law

States are required to provide the Federal government with quarterly statistical reports that contain substantial information on families receiving benefits. Both individual case records and aggregate data must be reported. States are authorized to use statistical samples if their sampling plan has been approved by the Secretary. (Section 411)

Explanation of provision

Several changes are made in this section:

for data reporting purposes, the term "disability" is defined as receiving disability benefits under the Social Security disability program, the Supplemental Security Income program, or under any other Social Security Act program;

States are required to report the relationship of each member of the family to the head of the family (rather than to the youngest child in the family);

the term "educational status" is replaced with "educational level" in two subparagraphs;

States are required to report whether individuals under age 20 in the family are parents of children in the family; and

States are required to report total caseload data and the total dollar value of benefits quarterly.

Reason for change

Operating through the National Governors Association and the American Public Welfare Association, States requested that Congress modify the data reporting requirements in several minor respects. These changes will make it easier for States to meet the reporting requirements while sacrificing only a minimum amount of program information.

Effective date

August 22, 1996.

9. DIRECT FUNDING AND ADMINISTRATION BY INDIAN TRIBES (SECTION 109)

Present law

Federally recognized Indian tribes (defined to include certain Alaska Native organizations) have the option to design and operate their own cash welfare programs for needy children using funds subtracted from their State's Temporary Assistance for Needy Families grant. The Secretary, with participation of the tribe, is to establish work participation rules, time limits for benefits, and penalties for each tribal family assistance program. The law also appropriates funds equal each year to those provided to tribes that operated a JOBS program in Fiscal Year 1994. This appropriation, equal to each tribe's Fiscal Year 1994 JOBS amount, is in addition to any tribal assistance TANF grant. Indian TANF plans are for three years. In general, Indian tribes in Alaska must operate plans in accordance with rules adopted by the State of Alaska for TANF, but waivers are allowed. (Section 412)

Explanation of provision

(a) Prorating of Tribal Family Assistance Grants.—Provides the Secretary with the authority to prorate the family assistance grant amount for Indian tribes that qualify for TANF funds during the course of a fiscal year. The authority is limited, however, in that funding must be prorated on a quarterly basis.

(b) Tribal Option to Operate Work Activities Program.—Indian tribes that conducted their own programs under the JOBS legisla-

tion were required to operate a separate program under TANF; this amendment makes running a separate program optional for qualified tribes.

(c) Discretion of Tribes to Select Population to be Served by Tribal Work Activities Program.—Indian tribes are allowed to define the population that will be served under their work program.

(d) Reduction of Appropriation for Tribal Work Activities Programs.—The appropriation for work programs by Indian tribes is reduced from $7,638,474 to $7,633,287 because one tribe included in the original estimate of the appropriation is not eligible to receive funds.

(e) Availability of Corrective Compliance Plans to Indian Tribes.—The Secretary is granted the authority to allow tribes, like States, to operate under a corrective compliance plan outlining how tribes will correct their violations.

(f) Eligibility of Tribes for Federal Loans for Welfare Programs.—Tribes are made eligible to borrow money from the Federal welfare loan fund established by the Act.

Reason for change

(a) Prorating of Tribal Family Assistance Grants.—This amendment permits tribes to join the TANF block grant during the course of a year while authorizing the Secretary to prorate their TANF amount in proportion to the remaining fraction of a year after the tribe joins. The amendment allow tribes to avoid waiting up to a year to join the block grant and yet prevent overpayments for a partial year of participation.

(b) Tribal Option to Operate Work Activities Program.—The requirement that tribes that conducted their own JOBS program also conduct a separate work program under TANF resulted from a drafting error. Overturning this requirement provides tribes with the flexibility to decide whether to operate their own program, an outcome that is consistent with Congressional intent to allow maximum flexibility to State and local governments.

(c) Discretion of Tribes to Select Population to be Served by Tribal Work Activities Program.—Given the difficult employment situation on most Indian reservations, tribes should not be required to work with every adult on welfare but rather should be encouraged to select the population they think they can serve most effectively. Tribes are thereby given the flexibility to concentrate their resources where they will do the most good.

(d) Reduction of Appropriation for Tribal Work Activities Programs.—This amendment prevents money that will not be spent in Fiscal Year 1997 from remaining obligated for the entire year.

(e) Availability of Corrective Compliance Plans to Indian Tribes.—Allowing tribes to operate under corrective compliance plans promotes equity between States and tribes.

(f) Eligibility of Tribes for Federal Loans for Welfare Programs.—Allowing tribes to participate in the Federal loan program promotes equity between States and tribes.

Effective date

August 22, 1996.

10. RESEARCH, EVALUATIONS, AND NATIONAL STUDIES (SECTION 110)

Present law

The Secretary is directed to conduct research on the benefits, effects, and costs of operating the different State TANF programs. Research is to include studies of the effect of programs on-being, and any other area she deems appropriate. The Secretary may assist States in developing innovative approaches to reducing welfare dependency and increasing child well-being and shall, to the maximum extent feasible, use random assignment as a method of evaluation. She is to rank the States on success in moving people to work and success in reducing out-of-wedlock birth ratios. No later than 90 days after enactment, and annually afterward, the chief executive officer of each State shall submit a statement of the child poverty rate in the State. If the Statement indicates that the child poverty rate has increased by 5 percent or more as a result of the enactment of TANF, the State must prepare a "corrective action" plan. This section also provides funding for State evaluations of their TANF programs and for evaluations of ongoing demonstrations initiated under waivers. (Section 413)

Explanation of provision

(a) Research.—Standard language allowing HHS to conduct research "directly or through grants, contracts, or interagency agreements" is inserted in the provision giving the Secretary $15 million per year to support research and demonstration projects on welfare reform innovations.

(b) Correction of Erroneously Indented Paragraph.—The subparagraphs in this section are redesignated and minor changes in wording and placement are made.

(c) Funding of Prior Authorized Demonstrations.— The research provisions of the Act allowed the Secretary to, among other options, support ongoing demonstration projects. The date defining "ongoing" is changed from "September 30, 1995" to "August 22, 1996" to include all demonstrations that were approved before enactment.

(d) Child Poverty Reports.—The due date of the report on child poverty from each State is changed from "90 days after the date of the enactment of this part" to "November 30, 1997" [and annually thereafter]. In addition, because child poverty rates are often not available on a county-by-county basis, the requirement that States report child poverty data is modified to require county-by-county data only "to the extent [it is] available".

Reason for change

(a) Research.—This amendment increases both effectiveness and efficiency by giving the Secretary the flexibility to conduct research directly or through grants, contracts, or interagency agreements.

(b) Correction of Erroneously Indented Paragraph.—Making these format changes improves the organizational consistency of the statute and its readability.

(c) Funding of Prior Authorized Demonstrations.—Congressional intent in designing the research provision was to provide the Secretary with the authority to continue any ongoing demonstration that in her judgment held promise of producing interesting results.

By including all the demonstrations funded through the date of enactment rather than an earlier date, this amendment increases the number of demonstrations from which the Secretary can select the most promising ones to continue.

(d) Child Poverty Reports.—Given that States are not required to begin their programs until July 1, 1997, requiring a child poverty report 90 days after enactment was premature. Thus, the due date for the first poverty report was put back until November 1997. This amendment also allows States to concentrate on designing and implementing their program before they begin writing reports. Allowing States to report county-level child poverty data only to the "extent available" recognizes the fact that the Census Bureau does not produce annual data on the incidence of child poverty by county.

Effective date

August 22, 1996.

11. REPORT ON DATA PROCESSING (SECTION 111)

Present law

The Secretary is required to report to Congress within six months of enactment (by February 22, 1997) on (a) the status of automatic data processing systems in the States and (b) what would be required to track participants over time and to determine if persons were enrolled in programs in more than one State. (Section 106(a))

Explanation of provision

An unnecessary reference to provisions "whether in effect before or after October 1, 1995" is dropped.

Reason for change

Dropping unnecessary language reduces the length and complexity of the statute.

Effective date

August 22, 1996.

12. STUDY ON ALTERNATIVE OUTCOME MEASURES (SECTION 112)

Present law

The law requires the Secretary to study measures of program outcomes as an alternative to minimum work participation rates and to report conclusions to Congress by September 30, 1998. The study is to determine whether alternative outcomes measures should be applied on a national or a State-by-State basis. The Secretary is also required to conduct a "preliminary assessment" of the 5-year time limit on Federal benefits (this provision was misdrafted in the original Act). (Section 107(a))

Explanation of provision

Corrects a reference to a "preliminary assessment" addressed by the Secretary in a report. As written, the preliminary assessment is to be conducted on a provision that is not in the Act. The tech-

nical amendment changes the reference so it correctly refers to the 5-year time limit.

Reason for change

Congress is interested in learning the impact of time limits, including the 5-year Federal limit or such shorter time limit as individual States may adopt. Thus, Congress asked the Secretary to make a preliminary assessment of various possible or actual impacts of time limits and to prepare a report about these impacts for Congress. However, the section reference to the time limit was incorrect because it was left over from a previous version of the bill. This amendment inserts the correct cross-reference.

Effective date

August 22, 1996.

13. LIMITATION ON PAYMENTS TO THE TERRITORIES (SECTION 113)

Present law

Total Federal funding to the territories (Puerto Rico, U.S. Virgin Islands, and American Samoa) for TANF; foster care and adoption assistance; and public assistance programs for needy adults who are aged, blind, or disabled is limited to specified dollar amounts. These limits were raised effective October 1, 1996. The territories are entitled to a TANF family assistance grant on the same basis as are the States, based on past Federal expenditures for AFDC, Emergency Assistance, and JOBS. They may transfer TANF funds to the Child Care and Development Block Grant (CCDBG) and Title XX on the same basis as permitted for the States. Territories may receive TANF funds in addition to their family assistance grant on a matching basis to take advantage of their increased caps. (Section 1108(a) of the Social Security Act)

Explanation of provision

(a) Certain Payments To Be Disregarded in Determining Limitation.—Clarifies that the territories may receive TANF bonuses for reducing illegitimacy, high performance bonuses, loans, and evaluation funds in addition to the ceiling amount they may receive under their TANF program and their adult assistance program.

(b) Certain Child Care and Social Services Expenditures by Territories Treated as IV–A Expenditures for Purposes of Matching Grant.—Territories are allowed to count funds transferred from TANF to the Child Care and Development Block Grant and the Title XX Block Grant for purposes of matching funds.

(c) Elimination of Duplicative Maintenance of Effort Requirement.—A redundant subsection of the provisions for territories is stricken from Title XI of the Social Security Act.

Reason for change

(a) Certain Payments To Be Disregarded in Determining Limitation.—Allowing the territories to participate in the illegitimacy reduction bonus, the high performance bonus, and the other supplemental Federal welfare programs promotes equity between the States and territories and also, because of the incentive effects of

the bonuses, encourages territories to adopt more efficient and effective programs.

(b) Certain Child Care and Social Services Expenditures by Territories Treated as IV–A Expenditures for Purposes of Matching Grant.—Allowing the flexibility to count transferred funds for purposes of obtaining matching grants permits territories to design their program in an efficient manner and promotes equity between territories and States.

(c) Elimination of Duplicative Maintenance of Effort Requirement.—Eliminating a redundant provision shortens the statute and makes it less complex.

Effective date

August 22, 1996.

14. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT (SECTION 114)

Present law

The date of the lookback that freezes eligibility for foster care payments based on eligibility for Aid to Families with Dependent Children is June 1, 1995. (Section 108)

Explanation of provision

(a) Amendments to Part D of Title IV.—Three obsolete cross-references in the child support enforcement program to the TANF program are replaced by cross-references to the correct TANF subsections and a cross reference that was omitted inadvertently is inserted.

(b) Amendments to Part E of Title IV.—The lookback date for eligibility for foster care and adoption benefits is changed from June 1, 1995 to July 16, 1996 to make the date consistent with the lookback date for Medicaid. Children from families that would have been eligible for AFDC given the income and resource standards in place in each State on July 16, 1996 must be eligible for foster care and adoption benefits. Income and resource standards established under waivers cannot be used to broaden eligibility.

Reason for change

(a) Amendments to Part D of Title IV.—Changing incorrect cross-references helps create a statute that reflects Congressional intent and is internally consistent.

(b) Amendments to Part E of Title IV.—This change makes the lookback provisions easier for States to implement because States will be collecting information on families to make eligibility determinations for both programs using one rather than two dates.

Effective date

August 22, 1996.

15. OTHER CONFORMING AMENDMENTS (SECTION 115)

Present law

No provision.

Explanation of provision

(a) Elimination of Amendments Included Inadvertently.—This provision removes unnecessary amendments to the Internal Revenue Code that were based on early drafts of the welfare reform bill.

(b) Correction of Citation.—An incorrect cross-reference is corrected.

(c) Correction of Internal Cross Reference.—An incorrect subparagraph reference to the child care provision in Title VI of the Act is corrected.

Reason for change

(a) Elimination of Amendments Included Inadvertently.—Dropping unnecessary amendments to the Internal Revenue Code makes the Code shorter and less complex.

(b) Correction of Citation.—Using correct cross-references ensures that Congressional intent is expressed by the statutory language and that the statutory provisions are consistent.

(c) Correction of Internal Cross Reference.—Correcting this cross-reference promotes understanding of the statute and improves its internal consistency.

Effective date

August 22, 1996.

16. MODIFICATIONS TO THE JOBS OPPORTUNITIES FOR CERTAIN LOW-INCOME INDIVIDUALS PROGRAM (SECTION 116)

Present law

The Family Support Act of 1988 (P.L. 100–485) contained a provision allowing States to conduct demonstration projects. One of these demonstration projects was intended to expand the number of job opportunities available to certain low-income individuals. The welfare reform bill made several amendments to make the statutory language authorizing the demonstration project consistent with the new Temporary Assistance for Needy Families block grant.

Explanation of provision

The technical amendment simply changes terminology to correct drafting errors that were made in the welfare reform legislation.

Reason for change

Correcting errors in terminology improves the accuracy and readability of the statute.

Effective date

August 22, 1996.

17. DENIAL OF ASSISTANCE AND BENEFITS FOR DRUG-RELATED CONVICTIONS (SECTION 117)

Present law

States may not provide TANF benefits (or food stamp benefits) to a person convicted after enactment for a drug-related felony.

States may opt out of this provision by enacting a specific law; they may also limit the period of ineligibility by State law. (Section 115(d))

Explanation of provision

(a) Extension of Certain Requirements Coordinated with Delayed Effective Date for Successor Provisions.—The authors of the provision disallowing eligibility for TANF and food stamp benefits for individuals with drug felony convictions intended to avoid the constitutional prohibition on retroactive punishment by applying the provision only to convictions that occur after the date of enactment of the Act (August 22, 1996). But the prohibition should probably apply, not to convictions, but to conduct that occurred after the date of enactment of the Act. This amendment makes that correction.

(b) Immediate Effectiveness of Provisions Relating to Research, Evaluations, and National Studies.—The provision ensures that the funding for research is effective on the date of enactment.

Reason for change

(a) Extension of Certain Requirements Coordinated with Delayed Effective Date for Successor Provisions.—As written, the drug provision may be unconstitutional because it would punish behavior that occurred before the provision was enacted, thereby perhaps violating the Constitutional prohibition on ex post facto punishment. By applying the penalty only to behavior, not convictions, that occurred after passage, the likely constitutional problem of retroactive punishment is avoided.

(b) Immediate Effectiveness of Provisions Relating to Research, Evaluations, and National Studies.—By making the research provisions effective upon enactment, money to support ongoing research can be expended immediately.

Effective date

August 22, 1996.

18. TRANSITION RULE (SECTION 118)

Present law

Most provisions of Title I of P.L. 104–193 take effect on July 1, 1997, or earlier at State option. However, some penalties and the requirements for data collection and reporting do not take effect for a State until (and apply only to conduct that occurs on or after) the later of July 1, 1997, or the date that is 6 months after the date when the Secretary receives a TANF State plan (which may be as late as January 1998). The Secretary is provided with a fund of $15 million to support research and evaluation of welfare reform programs.

Explanation of provision

The gap in data reporting for States that did not initiate TANF by January 1, 1997 is eliminated. The effective date of the research provision is changed to the date of enactment from July 1, 1997 be-

cause without this change no research could be funded until July 1, 1997.

Reason for change

In writing the new TANF block grant program, Congress made every effort to maintain and even expand State data reporting about the program. The gap in data reporting for some States was the result of a drafting oversight and substantially violates Congressional intent. Similarly, Congress intended to provide HHS with funds to continue its traditional role of sponsoring research that can provide valuable information about the impacts of welfare programs. The gap in research money for HHS was inadvertent and constitutes a violation of Congressional intent.

Effective date

August 22, 1996.

19. EFFECTIVE DATES (SECTION 119)

Present law

No provision.

Explanation of provision

This provision stipulates that amendments made by this title (Title I) of the technical corrections bill take effect as if they had been included in the provisions of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 to which the amendments relate.

Reason for change

Both Federal and State officials need to know when the Federal statutory provisions become effective so they can know how much time they have to draft and enact legislation and prepare for implementation.

Effective date

August 22, 1996.

Title II—Supplemental Security Income

Subtitle A—Conforming and Technical Amendments

1. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO ELIGIBILITY RESTRICTIONS (SECTION 201)

Present law

No individual who is fleeing to avoid prosecution, custody or confinement after conviction for a crime (or an attempt to commit a crime) that is a felony (or, in New Jersey, a high misdemeanor), or who violates probation or parole imposed under Federal or State law shall be eligible for SSI benefits. The Commissioner is required to furnish Federal, State, or local law enforcement officers information on fugitive felons or parole violators.

The Commissioner of SSA is required to enter into an agreement with any interested State or local institution (defined as a jail, pris-

on, other correctional facility, or institution where the individual is confined due to a court order) under which the institution shall provide monthly the names, Social Security numbers, dates of birth, confinement dates, and other identifying information of individuals confined in such institutions. The Commissioner must pay to the institution for each eligible individual who becomes ineligible $400 if the information is provided within 30 days of the individual's becoming an inmate. The payment is $200 if the information is furnished after 30 days but within 90 days. (Section 1611)

Explanation of provision

(a) Denial of SSI Benefits for Fugitive Felons and Probation and Parole Violators.—Allows the Social Security Administration (SSA) to charge for the costs of providing information on fugitive felons or parole violators.

(b) Treatment of Prisoners.—P.L. 104–193 included an inequity which precludes SSA from paying an institution which reports an inmate who is receiving benefits after the inmate had been transferred to another institution which did not report the inmate. This provision adds a requirement that SSA make payments to the institution that reported the inmate's presence, allowing for payment to that institution if the inmate has been transferred from another facility that did not report to SSA. Also clarifies that payment to mental institutions will be made only with respect to those inmates who are confined by reason of a criminal charge.

(c) Correction of Reference.—Corrects a cross-reference.

Reason for change

These changes are designed to improve the efficacy and fairness of the provision providing an incentive for institutions to report the names of inmates for matching against SSA recipient lists. For example, unless changed, under the Act the Social Security Administration would be precluded from charging for the costs of providing information on fugitive felons and parole violators requested by other agencies. This amendment allows the SSA to do so. Further, this change corrects an inequity in the Act which precludes SSA from paying an institution which reports an inmate who is receiving an SSI benefit after the inmate had been transferred to another institution which did not report the inmate.

Effective date

August 22, 1996.

2. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO BENEFITS FOR DISABLED CHILDREN (SECTION 202)

Present law

By August 22, 1997 (one year after the date of enactment of P.L. 104–193), the Commissioner of SSA is expected to redetermine the eligibility of any child receiving SSI benefits on August 22, 1996, whose eligibility may be affected by changes in childhood disability eligibility criteria including the new definition of childhood disability and the elimination of the individualized functional assessment. Benefits of current recipients will continue until the later of July

1, 1997 or a redetermination assessment. Should a child be found ineligible, benefits will end following redetermination.

Within 1 year of attainment of age 18, SSA is expected to make a medical redetermination of current SSI childhood recipients using adult disability eligibility criteria. For low birth weight babies, a review must be conducted within 12 months after the birth of a child whose low birth weight is a contributing factor to his or her disability.

Requires the representative payee (i.e., the parent) of an individual under the age of 18 to establish an account in a financial institution for the receipt of past-due SSI payments if the lump-sum payment amounts to more than 6 times the maximum monthly SSI payment (including any State supplement). A representative payee may use the funds in the account for certain designated expenses. The funds in these accounts are not counted as a resource and the interest and other earnings on the accounts are not considered income in determining SSI eligibility. If individuals misapply funds from their own dedicated savings accounts, SSA is required to inform the State agency administering the Medicaid program of the transfer.

Federal law stipulates that when individuals enter a hospital or other medical institution for which more than half of the bill is paid by the Medicaid program, their maximum monthly SSI benefit is reduced to $30 per month. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 added that children in medical institutions whose medical costs are covered by private insurance would be treated the same as children whose bills are paid by Medicaid (that is, their maximum monthly SSI cash benefit would be reduced to $30). This personal needs allowance is intended to pay for small personal expenses, with the cost of maintenance and medical care provided by Medicaid or private insurance.

Section (e) pertains to the medical improvement standard as it applies to individuals under the age of 18.

Explanation of provision

(a) Eligibility Redeterminations for Current Recipients.—The Commissioner of SSA is expected to redetermine the eligibility of any child receiving SSI benefits on August 22, 1996, whose eligibility may be affected by changes in childhood disability eligibility criteria including the new definition of childhood disability and the elimination of the individualized functional assessment by February 22, 1998 (18 months after the date of enactment of P.L. 104–193).

(b) Eligibility Redeterminations and Continuing Disability Reviews.—As in the change described in 202(a) above, there may be some applicable age 18 (or over) recipients discovered after the 1-year period. This provision clarifies that SSA has the authority to make redeterminations using the adult criteria for applicable age 18 (or over) recipients discovered after the 1-year period. Also clarifies that the provision requiring SSA to perform a continuing disability review on children awarded benefits due to low-birth weight within 12 months after the individual's birth shall not apply to cases in which the impairment is not expected to improve within 12 months of the child's birth.

(c) Additional Accountability Requirements.—This provision adds further requirements on dedicated savings accounts which stipulate that any amount misapplied from an account by individuals who are their own payees would reduce those individuals' future benefits by an equal amount. Also changes references from "underpayment" to "past-due benefits" to avoid unintended effects; clarifies that the benefits referred to include Federally-administered State supplementary payments. (Under Medicaid law, such a transaction would not require a Medicaid sanction and therefore no penalty occurs.)

(d) Reduction in Cash Benefits Payable to Institutionalized Individuals Whose Medical Costs Are Covered by Private Insurance.—This section of current law uses outdated terminology in referring to certain medical facilities. Use of the term "medical treatment facility" would assure that the $30 payment provision would apply to all medical facilities that receive Medicaid reimbursement for "costs of care." This provision updates language of the Social Security Act related to medical institutions to account for more recent terminology.

(e) Correction of U.S.C. Citation.—Corrects a cross-reference.

Reason for change

The provision would extend for an additional 6 months, until February 22, 1998, the date by which the Commissioner is to redetermine the eligibility of any SSI disabled child affected by the changes in disabled children's benefits made by Public Law 104–193. This 6-month extension of the effective date will provide the Commissioner with additional time to conduct the reviews required by law. This additional time was, in part, necessitated by the Administration's delay in releasing implementing regulations. The Committee expects SSA to comply with the law and will hold the Commissioner of Social Security fully responsible for noncompliance.

Effective date

August 22, 1996.

3. ADDITIONAL TECHNICAL AMENDMENTS TO TITLE II (SECTION 203)

Present law

This section pertains to the definition of "qualified organization," that may serve as a representative payee, and cost-of-living increases as they apply to Social Security benefits.

Explanation of provision

Makes minor changes in wording to improve clarity.

Reason for change

Makes minor changes in wording to improve clarity.

Effective date

August 22, 1996.

4. ADDITIONAL TECHNICAL AMENDMENTS RELATING TO TITLE XVI (SECTION 204)

Present law

This section pertains to rehabilitation services for blind and disabled SSI recipients.

Explanation of provision

Makes minor changes in wording to improve clarity.

Reason for change

Makes minor changes in wording to improve clarity.

Effective date

August 22, 1996.

5. ADDITIONAL TECHNICAL AMENDMENTS RELATING TO TITLES II AND XVI (SECTION 205)

Present law

This section refers to cooperative research or demonstration projects.

Explanation of provision

Makes minor changes in wording to improve clarity.

Reason for change

Makes minor changes in wording to improve clarity.

Effective date

August 15, 1994.

6. EFFECTIVE DATES (SECTION 206)

Present law

The date of enactment of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104–193) was August 22, 1996; provisions are to become effective within the first year after enactment.

Explanation of provision

With the exception of section 205, provisions are to take effect as if they were included in P.L. 104–193. Amendments made by section 205 are to take effect as if they were included in the "Social Security Independence and Program Improvements Act of 1994" (enacted August 15, 1994).

Reason for change

Changes made in this section are considered effective as if they had been included in the Personal Responsibility and Work Opportunity Reconciliation and Social Security Independence and Program Improvements Acts, as appropriate.

Effective date

August 22, 1996.

Subtitle B—Additional Amendments

7. TECHNICAL AMENDMENTS RELATING TO DRUG ADDICTS AND ALCOHOLICS (SECTION 211)

Present law

Public Law 104–121 included amendments to the Social Security and Supplemental Security Income (SSI) disability programs providing that no individual could be considered to be disabled if alcoholism or drug addiction would otherwise be a contributing factor material to the determination of disability. The effective date for all new and pending applications was the date of enactment. For those whose claim had been finally adjudicated before the date of enactment, the amendments would apply commencing with benefits for months beginning on or after January 1, 1997. Individuals receiving benefits due to drug addiction or alcoholism can reapply for benefits based on another impairment. If the individual applied within 120 days after the date of enactment, the Commissioner is required to complete the entitlement redetermination by January 1, 1997.

Public Law 104–121 provided for the appointment of representative payees for recipients allowed benefits due to another impairment who also have drug addiction or alcoholism conditions, and for the referral of those individuals for treatment.

The provisions apply to individuals who file for benefits on or after the date of enactment and applies to current beneficiaries on January 1, 1997.

The Social Security Independence and Program Improvements Act of 1994 contained requirements that the Commissioner of Social Security report to the Committees on Ways and Means and Finance by December 31, 1996, on activities related to the monitoring and testing of Social Security beneficiaries on the basis of drug addiction or alcoholism and who are required to undergo treatment as a condition for receipt of benefits.

Explanation of provision

(a) Clarifications Relating to the Effective Date of the Denial of Disability Benefits to Drug Addicts and Alcoholics.—The provision clarifies the meaning of the term "final adjudication." A claim may not be considered to be finally adjudicated if there is a pending request for administrative or judicial review or a pending readjudication pursuant to class action or court remand. Also clarifies that if the Commissioner does not perform the entitlement redetermination before January 1, 1997, the entitlement redetermination must be performed in lieu of a continuing disability review.

(b) Corrections to Effective Date of Provisions Concerning Representative Payees and Treatment Referrals of Drug Addicts and Alcoholics.—Corrects an anomaly that currently excludes all those allowed benefits (due to another impairment) before March 29, 1996, and redetermined before July 1, 1996, from the requirement that a representative payee be appointed and that the recipient be referred for treatment.

(c) Repeal of Obsolete Reporting Requirements.—Repeals an obsolete requirement that the Social Security Administration (SSA) report on the monitoring and testing of drug addicts or alcoholics.

(d) Effective Dates.—The provisions would be effective as if included in the "Contract with America Advancement Act of 1996," Public Law 104–121, except that the repeal of the obsolete reporting requirement would be effective upon enactment.

Reason for change

The provision clearly defines "final adjudication" to avoid any misinterpretation by the courts. At least one court has already concluded that it can award benefits through January 1, 1997, because the Commissioner's decision denying benefits was issued before March 29, 1996.

As written, current law creates an anomaly, whereby all those allowed benefits (due to another impairment) before March 29, 1996, and redetermined before July 1, 1996, are excluded from the requirement that a representative payee be appointed and that they be referred for treatment. The provision corrects this anomaly.

Since Public Law 104–121 contained amendments that eliminated payment of benefits on the basis of drug addiction or alcoholism and the treatment and monitoring requirements, the requirement to report on the monitoring and testing activities is obsolete.

Effective date

For subsections (a) and (b), March 29, 1996; for subsection (c), date of enactment; and for subsection (d), March 29, 1996 or date of enactment.

8. EXTENSION OF DISABILITY INSURANCE PROGRAM DEMONSTRATION PROJECT AUTHORITY (SECTION 212)

Present law

Under authority which expired on June 9, 1996, the Commissioner may initiate experiments and demonstration projects to test ways to encourage Social Security disability insurance (SSDI) beneficiaries to return to work, and may waive compliance with certain benefit requirements in connection with these projects.

Explanation of provision

This provision would extend demonstration authority to June 10, 1999, and would include authority for demonstration projects involving applicants as well as recipients.

Reason for change

By extending and expanding this demonstration authority, this provision is designed to aid the development of new methods of helping SSDI beneficiaries return to work, a significant goal of both the SSDI program and welfare reform in general.

Effective date

Date of enactment.

9. PERFECTING AMENDMENTS RELATED TO WITHHOLDING FROM SOCIAL SECURITY BENEFITS (SECTION 213)

Present law

The Social Security Act prohibits the assignment of Social Security benefits. The Department of Treasury began withholding Federal income taxes from payments made after December 31, 1996.

Explanation of provision

(a) Inapplicability of Assignment Prohibition.—The intent of the "Uruguay Round Agreements Act" was to give U.S. taxpayers who receive specified Federal payments (including Social Security benefits) the option of requesting that the Department of Treasury withhold Federal income taxes from payments made after December 31, 1996. Due to a drafting oversight, the "Uruguay Round Agreements Act" failed to override the Social Security Act provision that prohibits the assignment of benefits. The provision would amend the Social Security Act anti-assignment section to allow provisions in the tax code to be implemented.

(b) Proper Allocation of Costs of Withholding Between the Trust Funds and the General Fund.—Allocates funding for SSA to administer the tax-withholding provision.

(c) Effective Date.—The provisions would be effective for benefits paid in or after the second month after enactment.

Reason for change

These provisions amend the Social Security Act so that the provisions in the tax code may be implemented, as originally intended, and funding may be allocated for SSA to administer the tax-withholding provision.

Effective date

Applies to benefits paid on or after the first day of the second month beginning after the month of enactment.

10. TREATMENT OF PRISONERS (SECTION 214)

Present law

Prisoners are prohibited from receiving Social Security disability benefits while incarcerated if they are convicted of any crime punishable by imprisonment of more than one year. Federal, State, county or local prisons are required to make available, upon written request, the name and Social Security number of any individual who is confined in a penal institution or correctional facility.

P.L. 104–193 requires the Commissioner to study the desirability, feasibility, and cost of establishing a system for courts to directly furnish SSA with information regarding court orders affecting SSI recipients, and requiring that State and local jails, prisons, and other institutions that enter into contracts with the Commissioner furnish the information by means of an electronic or similar data exchange system.

P.L. 104–193 required the Commissioner of SSA to enter into an agreement with any interested State or local institution (defined as a jail, prison, other correctional facility, or institution where the in-

dividual is confined due to a court order) under which the institution shall provide monthly the names, Social Security numbers, dates of birth, confinement dates, and other identifying information of incarcerated individuals. The Commissioner must pay to the institution for each eligible individual who becomes ineligible for SSI $400 if the information is provided within 30 days of the individual's becoming an inmate. The payment is $200 if the information is furnished after 30 days but within 90 days.

The "Computer Matching and Privacy Protection Act of 1988" does not apply to the information exchanged pursuant to these agreements.

Explanation of provision

(a) Implementation of Prohibition Against Payment of Title II Benefits to Prisoners.—Bars payment of Social Security benefits to prisoners and to those who are found guilty but insane, and is similar to the provisions barring payment of Supplemental Security Income benefits to such individuals that were included in the House-passed version of the "Personal Responsibility and Work Opportunity Reconciliation Act of 1996," (P.L. 104–193). State and local correctional facilities are eligible for payments of $400 (for reports submitted to SSA within 30 days) or $200 (for reports within 90 days) of incarceration of convicts who were actually receiving Social Security benefits. Payments to correctional institutions are reduced by 50 percent for multiple reports on the same individual who receives both SSI and OASDI benefits. Payments made to the correctional institution are made from OASI or DI Trust Funds, as appropriate. The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to these agreements to any Federal or Federally-assisted cash, food, or medical assistance program for the purpose of determining program eligibility.

(b) Elimination of Title II Requirement that Confinement Stem from Crime Punishable by Imprisonment for More Than 1 Year.—This provision would replace "an offense punishable by imprisonment for more than 1 year" with "a criminal offense," delete other language, and include benefits payable to persons confined, throughout a month, to: (1) a penal institution; or (2) another institution if found guilty but insane, regardless of the total duration of the confinement.

(c) Inclusion of Title II Issues in Study and Report Requirements Relating to Prisoners.—This provision would broaden the study to include prisoners who receive OASDI benefits.

(d) Conforming Title XVI Amendments.—Clarifies that, in cases in which an inmate receives benefits under both the SSI and Social Security programs, payments to correctional facilities would be restricted to $400 or $200, depending on when the report is furnished. Also expands the categories of institutions eligible to report incarceration of prisoners.

(e) Exemption from Computer Matching Requirements.—Simplifies computer matching agreement requirements to facilitate the exchange of information between the correctional institutions and SSA.

(f) Continued Denial of Benefits to Sex Offenders Remaining Confined to Public Institutions Upon Completion of Prison Term.—The

bill also prohibits OASDI payments to sex offenders who, upon completion of a prison term, remain confined in a public institution pursuant to a court finding that they continue to be sexually dangerous to others.

Reason for change

The provision applies the prohibitions against payment of benefits to OASDI in the same manner that they apply to SSI benefits. Both SSI and OASDI prisoner provisions were included in the House-passed version of Public Law 104–193. OASDI provisions were not included in the conference report on the legislation because of Senate interpretation of procedural rules. This language restores the OASDI provisions.

These provisions provide new financial incentives for State and local correctional institutions to report information on inmates to the Social Security Administration (SSA) so that payment of OASDI benefits to prisoners being supported at taxpayer expense are stopped promptly.

The provision allows SSA to share, and be reimbursed for, any information obtained through these agreements that would assist other Federal agencies in administering their programs.

An audit conducted by the SSA Office of Inspector General determined that the language in existing law required that for each prisoner eligible for benefits, the duration of incarceration be determined on a case-by-case basis, based on data that can only be obtained from the courts. This was a costly, labor-intensive process that impeded timely suspension of benefits. As a matter of fairness, benefits would also be barred to persons who commit a criminal offense but are found guilty by reason of insanity.

SSA must find better ways to exchange data with courts and State and local jails, prisons, and other institutions so that prisoners who are being supported at taxpayer expense do not also receive Federal benefits. The Subcommittee believes that conducting such a study, and reporting its findings to Congress, will serve as an incentive for correctional institutions to enter into reporting agreements.

Payments to reporting institutions would be restricted to $400, even if the prisoner is entitled to both SSI and OASDI benefits. Several other features of this provision are harmonized with the related SSI provision, and the denial of benefits is extended in the case of sex offenders who remain confined after completing their prison terms.

Effective date

Subsection (a) would be effective for confinements beginning at least three full months after the date of enactment. Subsection (b) would be effective for those prisoners whose confinement begins on or after the first day of the fourth month after the month of enactment. Subsection (c) is effective August 22, 1996. Subsection (d) is effective as if included in P.L. 104–193. Subsection (e) is effective upon enactment. Subsection (f) applies to benefits for months ending after the date of enactment.

11. SOCIAL SECURITY ADVISORY BOARD PERSONNEL (SECTION 215)

Present law

Mandates the appointment of and salary level for three professional staff members of the Social Security Advisory Board.

Explanation of provision

The provision replaces existing language with general language which provides for additional personnel as the Board determines necessary to carry out its functions.

Reason for change

This provision allows the Social Security Advisory Board the flexibility to determine staffing needs and appropriate salary levels.

Effective date

March 29, 1996.

Title III—Child Support

1. STATE OBLIGATION TO PROVIDE CHILD SUPPORT ENFORCEMENT SERVICES (SECTION 301)

Present law

States are required to submit a plan to the Secretary that provides a detailed description of 33 specific aspects of their child support enforcement program. A mandatory part of the State plan is a description of how the State will charge a basic fee, not to exceed $25, for families that are not receiving public assistance (States are prohibited from requiring families receiving public assistance to pay fees). Additional fees may include: up to $25 in the case of families for whom the State asks the Secretary to intercept tax returns to pay arrearages; a fee, not to exceed costs, in the case of a family that requires genetic testing; and fees to cover costs incurred by the State in excess of the basic $25 registration fee. States must provide the same child support services, under the same terms, to residents of other States as they provide to residents of their own State. (Section 454)

Explanation of provision

(a) Individuals Subject to Fee for Child Support Enforcement Services.—Families receiving benefits from the TANF program are exempt from paying the $25 fee. Other sections of the Social Security Act also exempt families receiving foster care payments under section IV–E and families receiving Medicaid under Title XIX from paying the fee. For purposes of clarity, this technical amendment mentions both of these additional exemptions here. In addition, the food stamp amendments in title VIII of the Act gave States the option of collecting child support from families receiving food stamp benefits. This technical amendment also adds these families to the list of families exempt from paying the child support fee.

(b) Correction of Reference.—This section makes a conforming amendment to the child support enforcement section of the Social

Security Act (Title IV–D) to accommodate the change in the fee provision summarized in sec. 301(a) above.

Reason for change

(a) Individuals Subject to Fee for Child Support Enforcement Services.—Congressional policy has always been to waive the $25 registration child support fee for families on welfare because poor families should be allowed to spend their money to meet family needs. This provision restates this policy in the child support section of the Social Security Act and, because States were given the option of collecting child support from families receiving food stamps, extends the waiver to these families.

(b) Correction of Reference.—This conforming amendment makes two sections of the child support statute consistent with each other.

Effective date

October 1, 1996.

2. DISTRIBUTION OF COLLECTED SUPPORT (SECTION 302)

Present law

Families Receiving Assistance.—States are given the option of passing the entire child support payment through to families. If a State elects this option, it must pay the Federal share of the collection to the Federal government.

Families that Formerly Received Assistance.—Child support payments on current support always go to the family. Payments on arrearages that accrued after the family stopped receiving cash assistance and that are collected before October 1, 1997 are to be paid in accordance with the law in effect before enactment of P.L. 104–193, which means that these arrearage payments generally are to be paid to the State to reimburse it for any arrearages owed to it under the AFDC assignment (with appropriate reimbursement of the Federal share of the collection to the Federal government).

With respect to arrearages that accrued after the family stopped receiving cash assistance that are collected on or after October 1, 1997 (or, at the option of the State, before such date), the arrearage is to be paid to the family unless it is collected through the Federal income tax offset program, in which case it is to be paid to the State and the State is to pay the Federal share of the collection to the Federal government. If any money remains, it is to be paid to the family to satisfy arrearages that accrued after the family started receiving cash assistance. If there is still money remaining, the State retains its share of the amount and pays to the Federal government the Federal share of the collection (to the extent necessary to reimburse amounts paid to the family as cash assistance). If any money still remains, it is to be paid to the family.

Arrearages that accrued before the family started receiving cash assistance and that are collected before October 1, 2000 are to be paid in accordance with the law in effect before enactment of P.L. 104–193, which means that these arrearages generally are paid to the State to reimburse it for any arrearages owed to it under the AFDC assignment (with appropriate reimbursement of the Federal share of the collection to the Federal government).

Arrearages that accrued before the family started receiving cash assistance and that are collected on or after October 1, 2000 (or before such date, at the option of the State), are to be paid to the family unless collected through the Federal income tax offset program, in which case they are to be paid to the State (and the State is to pay the Federal share of the collection to the Federal government). If any money remains, it is to be paid to the family to satisfy arrearages that accrued before the family starting receiving cash assistance. If there is still money remaining, the State retains its share of the amount and pays to the Federal government the Federal share of the collection (to the extent necessary to reimburse amounts paid to the family as cash assistance). If any money still remains, it is to be paid to the family.

With respect to any arrearages that accrued while the family received cash assistance, States are given the option of passing the child support arrearage payment through to families. If a State elects this option, it must pay the Federal share of the collection to the Federal government.

As noted above, arrearages collected through the Federal tax offset program are to be paid to the State (and the State is to pay the Federal share of the collection to the Federal government). The State may only retain arrearages that have been assigned to the State and only up to the amount necessary to reimburse amounts paid to the family as cash assistance. If the amount collected through the tax offset exceeds the amounts retained, the State must distribute the excess to the family.

Effective October 1, 2000, the State must treat any support arrearages collected, except for those through the Federal income tax offset program, as accruing in the following order: (1) to the period after the family stopped receiving cash assistance, (2) to the period before the family received cash assistance, and (3) to the period while the family was receiving cash assistance.

Families That Never Received Assistance.—The entire amount of the child support collection is distributed to families that never received cash assistance.

Families Under Certain Agreements.—In the case of a family receiving cash assistance from an Indian tribe, the child support collection is to be distributed according to the agreement specified in the Child Support Enforcement State plan.

Study and Report.—By October 1, 1998, the Secretary must present a report to the Congress concerning whether the distribution of post-assistance and pre-assistance arrearages to families have helped families move off and stay off welfare. The report also is to discuss the overall impact of P.L. 104–193 with respect to child support enforcement in moving people off welfare and helping them stay off. In addition, information from the Secretary's report is to be used, if appropriate, to modify policy related to the distribution of child support arrearages. (Section 457)

Explanation of provision

(a) Continuation of Assignments.—The drafting of the assignment language in the Act left a gap between August 22, 1996 and September 30, 1997 during which there would have been no assignment rules in some cases. This amendment requires States to fol-

low the old assignment rules until the new rules begin on October 1, 1997.

(b) State Option for Applicability.—The Act phases in the provision to increase the share of child support collections distributed to former welfare mothers; part of the increased State payment of child support to mothers who were formerly on welfare begins in fiscal year 1998, a second part begins in fiscal year 2001. This amendment allows States the option of beginning both steps in fiscal year 1999.

(c) Distribution of Collections with Respect to Families Receiving Assistance.—In rewriting the child support distribution rules to provide mothers leaving welfare with more child support income, Congress retained a provision of previous law which stipulates that in no case should the portion of child support retained by the State and Federal government exceed their share of the amounts paid to families as welfare assistance. This amendment simply extends this restriction to families receiving TANF benefits.

(d) Families Under Certain Agreements.—This amendment makes provisions for how the new child support distribution rules of the Act are applied to Indian tribes; specifically, tribes are required to follow the distribution rules spelled out in their agreement with their State.

(e) Study and Report.—The Act required HHS to submit a report on the implementation of the new distribution provisions on October 1, 1998. However, because much of the information on implementation will not be available until after October 1, 1998, this technical correction gives the Secretary another year to complete the report by changing "[October 1], 1998" to "[October 1], 1999".

(f) Corrections of References.—Reference to an incorrect section number is replaced by the correct section number.

(g) Correction of Territorial Match.—Restores the 75% Federal match for the territories that was inadvertently dropped during drafting of the Act for the purposes of the distribution of child support payments made on behalf of families receiving (or who previously received) TANF benefits.

(h) Definitions.—The official date of a child support collection is changed from the date the payment is made by an employer or individual to the date the child support agency actually receives the payment. The date the Federal matching rate formula is permanently defined as the Medicaid formula is changed from "September 30, 1996" to "September 30, 1995" to conform this provision to similar provisions found in other parts of the statute.

(i) Conforming Amendments.—Conforming amendments are made to other sections of the child support program.

Reason for change

(a) Continuation of Assignments.—The welfare reform bill, which amended the child support distribution rules, inadvertently left a gap in time during which there would have been no assignment rules in effect in some States. Given the vital nature of assignment rules, especially to mothers leaving welfare, this amendment fills the gap by requiring certain States to follow the old assignment rules until the new rules begin on October 1, 1997.

(b) State Option for Applicability.—States informed the Congress that implementing the new distribution rules in two phases, though providing States with ample time to absorb the potential loss of funds entailed by this policy, would require two waves of computer reprogramming and would add complexity to State statutes, instruction manuals, and administrative procedures. Thus, rather than implement the new rules in two phases separated by 3 years, some States preferred to implement the new rules in one step at some time during the 3 years allowed between phase 1 and phase 2. This amendment provides States with this one-step option.

(c) Distribution of Collections with Respect to Families Receiving Assistance.—Under the old Aid to Families with Dependent Children program, States were prohibited from retaining child support collections that exceeded welfare payments to the family in the case of families that had received AFDC benefits. This amendment extends this rule to the new Temporary Assistance for Needy Families block grant program.

(d) Families Under Certain Agreements.—Because of the unique economic circumstances of Indian tribes, especially the extreme poverty experience by many Indian families, tribes are given the flexibility of negotiating an arrangement with the State and the Secretary concerning how child support collections from Indians will be distributed to families.

(e) Study and Report.—Because the first phase of the new distribution rules will not be implemented until October 1, 1998, requiring HHS to submit a report summarizing the impact of the new rules on October 1, 1998 the day they are implemented—makes little sense. Thus, HHS is given another year to write the report.

(f) Corrections of References.—Correcting cross-references promotes accuracy and consistency of statutory language.

(g) Correction of Territorial Match.—By restoring the 75 percent Federal child support match for the territories that was inadvertently dropped during drafting, this amendment makes the statute consistent with Congressional intent as expressed in previous legislation.

(h) Definitions.—For reasons explained in #19 (Date of Collection of Support) below, the date of receipt of child support is changed from the date of withholding by the employer to the date of receipt by the State Disbursement Unit. This amendment conforms the Medicaid matching rate used to determine the Federal share of collections to the change in definition of child support receipt to avoid having States use resources to ascertain whether the date a payment was withheld was in the same year as the date the payment was received. The definitions also change the date the Medicaid matching formula is frozen to make the date consistent throughout the statute.

(i) Conforming Amendments.—These amendments ensure that the statute is internally consistent.

Effective date

August 22, 1996.

3. CIVIL PENALTIES RELATING TO STATE DIRECTORY OF NEW HIRES (SECTION 303)

Present law

States must establish, by October 1, 1997, an automated State Directory of New Hires containing the name, address, and social security number of every newly-hired employee in the State and the name, address, and tax identification number of the individual's employer. Employers that have employees in two or more States and that transmit reports magnetically or electronically may comply by designating one State to which the New Hire reports will be submitted. Federal employees must be reported to the National Directory of New Hires. Employers may fulfill this requirement by simply submitting a copy of the new employee's W–4 form. Reports must be made within 20 days after the date of hire or, in the case of employers that transmit reports magnetically or electronically, by two monthly transmissions not less than 12 days nor more than 16 days apart. A fine of $25 may be assessed against employers that fail to report information on new hires; if States find that the employer and employee engaged in a conspiracy to avoid fulfilling the reporting requirement, the fine may be up to $500. States must enter the new hire information in their Directory of New Hires within 5 days of receipt. By May 1, 1998, States must make automated comparisons, based on social security numbers, between their new hire information and information in the State Case Registry of Child Support Orders. When matches occur and the case requires income withholding, the State child support agency must, within 2 days, notify the employer of wages to be withheld and where the withheld amount must be submitted. States must also report all new hire information to the Federal Directory of New Hires within 3 days of receipt. (Section 453A)

Explanation of provision

This technical amendment clarifies that the $25 penalty against employers that fail to report new hires applies to each individual failure to meet the new hire reporting requirement.

Reason for change

The welfare reform law was unclear about whether the optional penalty of $25 against employers that did not report new hire information applied to each individual failure to report a newly hired employee. This amendment clarifies the ambiguity by stating that States can apply a fine of up $25 to each individual instance of a failure to report.

Effective date

August 22, 1996.

4. FEDERAL PARENT LOCATOR SERVICE (SECTION 304)

Present law

The Secretary must establish and operate a Federal Parent Locator Service that contains information on, or that facilitates the discovery of, the location of individuals who are under obligation to

pay child support, to provide child custody or visitation rights, or against whom such an obligation is sought or to whom such an obligation is owed. The FPLS must contain information on social security numbers, addresses, employer information, wage and income information, and information on assets and debts. When a proper request is filed by an authorized person, the Secretary must provide the information from the FPLS or from the files and records maintained by any of the departments and agencies of the Federal government or any State. Such departments and agencies must respond to requests from the Secretary for information. The Secretary may reimburse agencies for costs incurred in responding to information requests from the Secretary. (Section 453) The FPLS can also be used in connection with the enforcement of laws regarding parental kidnapping, or making or enforcing a child custody determination. (Section 463)

Explanation of provision

This section is reorganized and rewritten to clarify that the State child support agencies are not obligated to provide custody and visitation services, but must use the FPLS to obtain information on the location of parents for the purposes of enforcing State and Federal laws against parental kidnapping; establishing parentage; establishing, setting the amount of, modifying, or enforcing child support obligations; or making or enforcing custody or visitation determinations. The Committee bill creates a new set of procedures for ensuring that the FPLS is used appropriately to provide information to noncustodial parents. The new procedures require changes in the statute sections on the State plan, the FPLS, and use of the FPLS in connection with child custody or kidnapping. There are three steps in the revised procedures. First, in providing information to the FPLS, States must include information on cases in which they have "reasonable evidence" of domestic violence or child abuse and in which the State believes the disclosure of this information "could be harmful" to the custodial parent or child. Second, if the State has indicated that it has reasonable evidence of domestic violence on a given case, and an authorized person requests information about the case, the FPLS can disclose information about the case only to a court and must include both the requested information along with the information that the State has reasonable evidence of violence and that harm to the custodial parent or child could result from the disclosure of the information. Third, the local court must then determine whether the disclosure of information will result in harm and if it so judges, must not disclose the information. Primarily for application in interstate cases, the statute is also amended to provide a court which has the authority to serve as the initiating court in an action to seek an order with the authority to receive FPLS information. Finally, the Committee amendment requires all States to participate in the use of the FPLS in connection with enforcement or determination of child custody and in cases of parental kidnapping (all States currently participate on a voluntary basis).

Reason for change

If custodial parents refuse to make children available for court-ordered visitation, noncustodial parents have argued that they should have access to information in the Federal Parent Locator Service (FPLS) to locate the custodial parents and children. The amendments in this section clarify this issue. First, the provision gives both custodial and noncustodial parents the right to have access to information in the FPLS for the purpose of locating parents or children to enforce State or Federal law on taking or restraint of a child or for the purpose of making or enforcing a child support order or a custody or visitation order. Second, all States are required to participate in using the FPLS to locate missing children. Third, safeguards are established that require States to notify the FPLS that "reasonable evidence" of violence or abuse exists and that the disclosure of information could be harmful to the custodial parent or child. In these cases, a court must decide what, if any, information about the custodial parent and child can be released. The Committee provision on the use of FPLS strikes a balance between the right of noncustodial parents to have information about their children and the right of custodial parents and children to have protection if there is credible evidence of violence.

Effective date

August 22, 1996.

5. ACCESS TO REGISTRY DATA FOR RESEARCH PURPOSES (SECTION 305)

Present law

Amendments made by this section apply to the FPLS explained in #4 above. (Section 453)

Explanation of provision

The Act created or expanded several national data bases of child support information including the New Hire Registry and the Federal Case Registry. The Act gave the Secretary authority to release data from the former but not the latter for research. This provision makes data from both registries available for research. Language elsewhere in the statute is altered slightly to accommodate this change.

Reason for change

Both child support policy and program administration have often been influenced by research. Thus, making data available for research often serves the public interest by helping to improve programs.

Effective date

August 22, 1996.

6. COLLECTION AND USE OF SOCIAL SECURITY NUMBERS FOR USE IN CHILD SUPPORT ENFORCEMENT (SECTION 306)

Present law

States must have procedures for recording the Social Security numbers of applicants on the application for professional licenses, commercial driver's licenses, occupational licenses, and marriage licenses. States also must record Social Security numbers in the records of divorce decrees, child support orders, and paternity determination or acknowledgment orders. Individuals who die will have their Social Security number placed in the records relating to the death and recorded on the death certificate. If the State allows the use of a number other than the Social Security number for the licenses mentioned above, it must so advise applicants. (Section 466)

Explanation of provision

One type of license covered by the requirement was "commercial driver's licenses". This amendment removes the word "commercial", thereby requiring States to record social security numbers on the applications for all types of driver's licenses. Also, the provision adds "recreational" licenses to the list of licenses for which Social Security numbers must be recorded on the license application.

Reason for change

Congress wants States to have the broadest possible access to information about parents who owe child support. Given that many parents are located and brought to a court or administrative agency to face child support actions through use of Social Security numbers, placing Social Security numbers in the records of as many State licenses as possible will increase the number of parents located and therefore the number of children who receive child support payments. At the same time, by placing the numbers on the applications rather than the face of the license itself, this provision strikes a balance between the State need for information and the need for privacy felt by many individuals.

Effective date

October 1, 1996.

7. ADOPTION OF UNIFORM STATE LAWS (SECTION 307)

Present law

One of the requirements of the statutorily prescribed procedures section of the statute is that States adopt the Uniform Interstate Family Support Act (UIFSA), together with any amendments officially adopted before January 1, 1998 by the National Conference of Commissioners on Uniform State Laws. Developed by the National Conference of Commissioners on Uniform State Laws, UIFSA is a series of laws that are designed to facilitate the enforcement of interstate child support enforcement cases. (Section 466)

Explanation of provision

This technical provision requires States to adopt any amendments made to UIFSA by the Commissioners before August 22, 1996.

Reason for change

The specific purpose of UIFSA is to improve interstate child support enforcement, widely agreed to be the weakest part of the child support system. Program administrators and scholars who study child support agree that UIFSA will lead to improved interstate child support enforcement. Thus, it is good policy to require States to enact as many of the UIFSA provisions as possible.

Effective date

October 1, 1996.

8. STATE LAWS PROVIDING EXPEDITED PROCEDURES (SECTION 308)

Present law

Federal law requires States to adopt a set of expedited child support enforcement procedures. These include procedures which give the State agency the authority to take several actions to establish paternity or to establish, modify, or enforce support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal. The actions include ordering genetic testing, subpoenaing financial or other information, requiring all entities in the State to provide information on the employment, compensation, and benefits of any individual employed by such entity and sanctioning failures to respond, obtaining access to information contained in certain records (vital statistics, tax and revenue records, records on personal property, employment security records, records of agencies administering public assistance programs, motor vehicle records, corrections records, customer records of public utilities and cable TV companies, and information held by financial institutions), changing the payee to an appropriate government entity, ordering income withholding, securing assets, and increasing monthly payments in order to collect past-due support. Expedited procedures must also include several rules and authorities, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders. The rules and authority include procedures under which each party to a paternity or child support proceeding is required to file certain information; procedures under which, in the case of any subsequent child support action between the parties, the tribunal may deem due process requirements for notice and service of process to be met upon delivery of written notice to the most recent residential or employer address; and procedures under which the State agency and other bodies may exert statewide jurisdiction over the parties and that permit the transfer of cases between local jurisdictions to retain jurisdiction over the parties. In a section of the Act requiring States to have laws allowing them to change payees in welfare cases, "welfare" was defined with reference to Temporary Assistance for Needy Families (TANF) and Medicaid but not to the foster care

and adoption program in title IV–E of the Social Security Act. (Section 466)

Explanation of provision

This section makes several changes. First, it adds the foster care program to the list of welfare programs covered by the child support program. Second, the section on locator information in the Act provides that due process requirements for notice and service of process "may" be deemed to have been met by the tribunal upon delivery of written notice to the most recent address filed by the court by the payee. At the request of States, the option is changed to a requirement by changing "may" to "shall". Third, instead of using the term "tribunal," the phrase "court or administrative agency of competent jurisdiction" is used. Fourth, information pertaining to paternity or child support proceedings is to be filed with the State case registry. Fifth, the Act required States to seize various assets of obligors who are delinquent in making payments. This technical amendment clarifies that when assets are seized in a given month, States must pay current support before applying the remainder of the seized asset to arrearages.

Reason for change

First, adding foster care to the programs covered by specific expedited procedures conforms this section of the statute to amendments made elsewhere in order to ensure internal consistency in the statute. Second, a major goal of the child support provisions of the welfare reform legislation was to streamline court procedures and thereby increase efficiency. Noncustodial parents responsible for paying child support are required to notify child support officials of any change of address. Thus, the due process requirement to inform parties of hearings and other proceedings should be fulfilled if the hearing notice is delivered to the most recent address filed by the payee. States are required to adopt this provision so they can avoid the delays and expense involved in taking several actions, over a period of days or weeks, trying to locate payees. Third, the amendment clarifying terminology makes this section of the statute consistent with other amendments. Fourth, the Act created the case registry of child support orders and required States to have procedures to update information in the registry. Thus, the registry is the best place to find current information or addresses for the purpose of sending notices. Fifth, clarifying that States must always pay current support before paying arrearages maximizes the amount of child support money that goes directly to the family.

Effective date

October 1, 1996.

9. VOLUNTARY PATERNITY ACKNOWLEDGMENT (SECTION 309)

Present law

One of the mandatory procedures States must have is a program of voluntary paternity acknowledgment in hospitals. As part of this program, States must give notice, both orally and in writing, of the

alternatives to, the legal consequences of, and the rights and responsibilities that arise from a legal acknowledgment of paternity. (Section 466)

Explanation of provision

This technical amendment allows States to give the required notice of alternatives, legal consequences, and rights and responsibilities through the use of video or audio equipment, rather than orally (written notice is still required).

Reason for change

Allowing States to inform parents of the advantages and responsibilities of voluntary acknowledgment of paternity through the use of video and audio equipment can save staff time, save money, and promote effective and detailed presentations.

Effective date

October 1, 1996.

10. CALCULATION OF PATERNITY ESTABLISHMENT PERCENTAGE (SECTION 310)

Present law

The Secretary must ensure that States achieve specified levels of paternity establishment each year. Although States must eventually achieve a 90 percent paternity establishment rate, they have several years to reach this level. As States move toward the 90 percent requirement, a State with an establishment rate of not less than 75 percent but less than 90 percent must exceed the previous year's percentage by 2 percentage points; States with a percentage of not less than 50 but less than 75 must exceed the previous year by 3 percentage points; States with a percentage of not less than 45 but less than 50 must exceed the previous year by 4 percentage points; States with a percentage of not less than 40 but less than 45 must exceed the previous year by 5 percentage points; States with a percentage of less than 40 must exceed the previous year by 6 percentage points. The State may define its paternity establishment percentage with reference either to the child support enforcement caseload or to all births in the State. In either case, the total number of children must not include any child (1) who is a dependent child because of the death of a parent unless paternity has been established for such child, or (2) whose parent is refusing to cooperate with the IV–D or IV–E agency because of good cause. (Section 452)

Explanation of provision

This amendment clarifies that the children excluded from the paternity establishment percentage calculation are excluded regardless of whether the State uses the child support enforcement caseload as the base or all births in the State as the base.

Reason for change

This amendment clears up potential confusion about the policy of allowing child exclusions to apply to both the paternity establish-

ment calculation based on the child support cases and the calculation based on all births in the State.

Effective date

August 22, 1996

11. MEANS AVAILABLE FOR PROVISION OF TECHNICAL ASSISTANCE AND OPERATION OF FEDERAL PARENT LOCATOR SERVICE (SECTION 311)

Present Law

The Secretary must provide information dissemination and technical assistance to the States, train State and Federal staff, conduct staffing studies, and conduct research and demonstration projects of regional or national significance related to child support enforcement. (Section 452)

Explanation of provision

(a) Technical Assistance.—This amendment inserts standard language giving the Secretary flexibility in how technical assistance is provided; i.e., directly by HHS or "through grants, contracts, or interagency agreements".

(b) Operation of Federal Parent Locator Service.—A heading is changed to make it more descriptive; the standard language referred to above in (a) is inserted to provide the Secretary flexibility in operating the FPLS; and language is included requiring that funds appropriated for the FPLS remain available until expended.

Reason for change

(a) Technical Assistance.—Giving the Secretary the authority to provide technical assistance promotes effectiveness and efficiency by helping States improve their programs.

(b) Operation of Federal Parent Locator Service.—Giving the Secretary the authority to operate the Federal Parent Locator Service directly or through grants, contracts, or interagency agreements promotes effectiveness and efficiency by providing the Secretary with the flexibility to select the best qualified unit, agency, or outside contractor to conduct the FPLS.

Effective date

August 22, 1996.

12. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES (SECTION 312)

Present law

Money due from or payable by the United States or the District of Columbia to any individual is subject to wage withholding and any other legal process brought by a State to enforce child support. Each Federal agency, including agencies of the armed forces, must designate an agent to receive orders and accept service of process in child support and alimony cases; the name, position, mailing address, and telephone number of the agent must be published annually in the Federal Register. Upon receiving service, process, or interrogatory with respect to child support, the agent must send written notice of the service to the affected individual within 15 days

and respond to the service or order within 30 days. Most forms of income and compensation due from the United States are subject to garnishment for child support. (Section 459)

Explanation of provision

(a) Response to Notice or Process.—Slight changes in wording are made to clarify the responsibility of Federal agencies to withhold money or to answer interrogatories regarding child support.

(b) Moneys Subject to Process.—The language in this section of the Act required Federal agencies to subject to garnishment wages "paid or payable" to employees. Money that has already been paid cannot be garnished. Thus, the term "paid" is struck each place it appears.

(c) Conforming Amendment.—A section reference is corrected.

Reason for change

(a) Response to Notice or Process.—These amendments clarify the responsibilities of Federal agencies.

(b) Moneys Subject to Process.—Removing the word "paid" in several places eliminates a logical fallacy (that income already paid can be withheld) from the statute.

(c) Conforming Amendment.—The amendment makes the statute internally consistent.

Effective date

August 22, 1996.

13. DEFINITION OF SUPPORT ORDER (SECTION 313)

Present law

As described above (see #4), the Secretary is required to establish and maintain a Federal Parent Locator Service to provide information to States on custodial and noncustodial parents. According to this definition, a "support order" is a judgment, decree, or order, issued by a court or administrative agency of competent jurisdiction, for the support and maintenance of a child or a child and the parent with whom the child lives, which provides for monetary support, health care, arrearages, reimbursement, and various penalties and fees of a spousal support order in the case of a custodial parent of a child receiving child support services from the State.

Explanation of provision

This amendment modifies the definition of a support order to include spousal support that applies to spouses with a child even if child support is not part of the order.

Reason for change

There are relatively few spousal orders in families with minor children that do not include support for children. Given that the major purpose of the child support program is to ensure that children receive child support payments, the definition of child support order is expanded to include these few cases of spousal orders that do not mention children so that States may enforce these orders and thereby help more children.

Effective date

August 22, 1996

14. STATE LAW AUTHORIZING SUSPENSION OF LICENSES (SECTION 314)

Present law

One of the Federally-required enforcement procedures is authority for the State child support enforcement agency 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. (Section 466)

Explanation of provision

This amendment clarifies that recreational licenses include sporting licenses.

Reason for change

This amendment is included because States have reported that some courts have questioned whether "recreational licenses" include "sporting licenses." To remove any doubt of Congressional intent, this amendment clarifies that sporting licenses are included as one of the types of licenses that States must be able to suspend in the case of payees who fail to make their child support payments as ordered.

Effective date

October 1, 1996.

15. INTERNATIONAL SUPPORT ENFORCEMENT (SECTION 315)

Present law

As part of its State plan (see #1 above), States must respond to requests for child support services from countries with whom the U.S. has reciprocal agreements and countries with whom the State has a reciprocal agreement. States must respond to these requests as if they originated from another State. (Section 454)

Explanation of provision

A section reference is corrected.

Reason for change

This amendment corrects a section reference to ensure that the statute reflects Congressional intent.

Effective date

October 1, 1996.

16. CHILD SUPPORT ENFORCEMENT FOR INDIAN TRIBES (SECTION 316)

Present law

As part of its State plan (see #1 above), States that receive funding for child support programs under the Social Security Act and that have Indian country within their borders may enter into cooperative agreements with tribal organizations if the tribal organization demonstrates that it has an established tribal court system

with the authority to perform a wide variety of child support enforcement activities. (Section 454)

Explanation of provision

(a) Cooperative Agreements by Indian Tribes and States for Child Support Enforcement.—This section makes minor wording changes to clarify the provision allowing Indian tribes to operate child support programs.

(b) Correction of Subsection Designation.—An incorrect subsection designation is corrected to ensure that the statute reflects Congressional intent.

(c) Direct Grants to Tribes.—The provision in the Act allowing direct Federal funding of tribal child support programs requires that tribes be able to meet all State plan requirements. This amendment allows direct funding of any tribe that can demonstrate to the Secretary that it has the capacity to operate a child support program meeting the major objectives of the statute including establishment of paternity; establishment, modification, and enforcement of support orders; and location of absent parents.

Reason for change

(a) Cooperative Agreements by Indian Tribes and States for Child Support Enforcement.—These minor wording changes were made to eliminate ambiguity.

(b) Correction of Subsection Designation.—The cross-reference is corrected to ensure that the statute reflects Congressional intent.

(c) Direct Grants to Tribes.—Congress is in favor of tribes conducting their own child support enforcement programs if they can do so effectively. The provision allowing tribes to conduct their own program in the Act, however, required tribes to meet every State plan requirement before the Secretary could authorize a separate program. Since few if any tribes can meet this stringent requirement, the provision is amended to allow approval by the Secretary if tribes can meet the major objectives of the child support program.

Effective date

October 1, 1996.

17. CONTINUATION OF RULES FOR DISTRIBUTION OF SUPPORT IN THE CASE OF A TITLE IV-E CHILD (SECTION 317)

Present law

As spelled out in detail above (see #2), States must follow very specific rules in the distribution of child support payments to families, the State child support program, and the Federal government. (Section 457)

Explanation of provision

Language is added to require that the child support distribution rules (which specify how collections are to be distributed among the family, the State, and the Federal government) apply to foster care cases as well as welfare cases.

Reason for change

This amendment corrects an oversight of previous legislation by extending the child support distribution rules to collections made on behalf of children who received benefits from the foster care maintenance program.

Effective date

August 22, 1996.

18. GOOD CAUSE IN FOSTER CARE AND FOOD STAMP CASES (SECTION 318)

Present law

As part of its State plan, States must provide child support enforcement services to the families of children who receive: benefits under the Temporary Assistance for Needy Families (TANF) Program (formerly the Aid to Families with Dependent Children Program); foster care maintenance payments under the Social Security Act; or medical assistance under the Medicaid program. However, States must not provide these services if there is "good cause" (such as family violence or potential harm to the child) not to provide such services. The specific grounds for good cause exceptions, and the application of the exemption in particular cases, may be determined by the State agency administering the TANF program, the State agency administering the child support program, or the State agency administering the Medicaid program. To make such a determination, the administering agency may require families to provide information and to appear at interviews, hearings, or legal proceedings. (Section 454)

Explanation of provision

This amendment extends the good cause exceptions to food stamp recipients and allows the State food stamp agency the option of developing, as well as applying in specific cases, the good cause exceptions. Legislation under the jurisdiction of the Agriculture Committee gives authority to the Secretary of Agriculture to develop the criteria for good cause exceptions to child support requirements for the Food Stamp program. This technical amendment makes the Social Security Act consistent with the food stamp legislation by preserving the Secretary of Agriculture's authority to set the good cause criteria. The State food stamp agency retains the authority to apply, at State option, the good cause criteria in specific cases. Conforming amendments are also made to clarify that both the food stamp and foster care programs are included in the good cause exceptions from cooperation in the child support program.

Reason for change

The good cause exceptions, which exempt custodial parents from cooperating in child support if there is a threat of harm to the custodial parent or children, are an essential part of the child support program. To reimburse taxpayers for expenditures on food stamp benefits, the welfare reform law gave States the option of collecting child support payments from the noncustodial parent if the custodial parent and children were participating in the food stamp pro-

gram. This amendment simply extends the good cause exceptions that apply to the TANF block grant and Medicaid programs to the food stamp program.

Effective date

October 1, 1996.

19. DATE OF COLLECTION OF SUPPORT (SECTION 319)

Present law

States must establish and operate a statewide Disbursement Unit for the collection and disbursement of child support payments. Cases included in the State Disbursement Unit must include all cases that are part of the State child support program (both welfare and non-welfare cases) and cases not being enforced by the State child support program but with an order initially issued on or after January 1, 1994 and in which the income of the noncustodial parent is subject to wage withholding. State Disbursement Units, using automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, must: receive payments from parents, employers, and other States; make payments to custodial parents and other obligees, the State child support agency, and agencies of other States; make accurate identification of payments; ensure prompt disbursement of the custodial parent's share of payments; and furnish parents, upon request, with timely information on the current status of payments. The Unit must disburse payments from the employer or other source within 2 business days after receipt. (Section 454B)

Explanation of provision

The date of receipt of child support is changed from the date of withholding by the employer to the date of receipt by the State Disbursement Unit. If the disbursement unit receives two payments in one month, one of the payments must be treated as a payment against arrearages, which may result in a loss of current support for a family that formerly received welfare. But sometimes the receipt of two payments in one month is caused by irregularities in the payroll cycles of particular employers. To avoid requiring States to treat these cases as arrearage payments, State disbursement units are given the authority to deem the date of withholding to be the date of collection in appropriate cases.

Reason for change

Many States have complained that using the date employers withhold income as the date of collection imposes unnecessary administrative burdens on States because they often must research each individual order to determine when the money was actually withheld by employers. To address this problem, the date of collection is changed from the date employers withhold income to the date States actually receive the money. Because peculiarities in employer pay schedules sometimes result in States receiving two checks in the same month, States are given flexibility in deeming payments collected when deducted from income by employers to avoid one of the checks being a payment against arrearages. Be-

cause the custodial parent always receives 100 percent of the payment of current support, but under most circumstances less than 100 percent of payments on arrearages, this flexibility in determining when the payment was collected will prevent custodial parents and children from losing money.

Effective date

October 1, 1996.

20. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES (SECTION 320)

Present law

States must have a variety of enforcement provisions and procedures in place. One of these procedures is administrative enforcement in interstate cases. More specifically, States must respond to requests from other States within 5 business days and must allow the order to remain an order of the initiating State. States must also transmit requests for assistance in child support cases to other States and include details that will enable the responding State to compare the information with information in their State data bases. The requesting State's request constitutes a certification of the amount of support under the order and the amount in arrears and must include an assurance that the State has complied with all procedural due process requirements. States must maintain records of the number of such requests received from other States, the number of cases for which the State collected support in response to requests, and the amount of such collected support. (Section 466)

Explanation of provision

(a) Procedures.—The Act required States to "respond" to requests from another State within 5 days. Because the meaning of "respond" is unclear, and because responding in 5 days is inappropriate in many cases, the amendment clarifies that the major responsibilities of the receiving State are to conduct "high-volume automated administrative enforcement" in which the request is matched against State databases to determine whether information on the location and income of the obligor is available in the responding State and to notify the requesting State of the results of the search. The provision also defines "high-volume automated administrative enforcement" and requires States to take these actions "promptly."

(b) Incentive Payments.—A clarification is made in the section on incentive payments to ensure that States receive Federal incentive funding for enforcing out-of-State child support orders.

Reason for change

(a) Procedures.—Responding to requests from other States within 5 days was a flawed provision because the most frequent request is to locate an individual owing child support by performing "high-volume automated" data matches which typically cannot be performed within 5 days. The 5 day requirement is especially unfortunate because some of the major data bases are updated every 90

days and States may want to wait several days before performing the search so they can use an updated data base. The Committee amendment, therefore, requires States to perform the automated matches "promptly".

(b) Incentive Payments.—This amendment clarifies Congressional intent to provide States with incentive funding for enforcing out-of-State orders.

Effective date

October 1, 1996.

21. WORK ORDERS FOR ARREARAGES (SECTION 321)

Present law

States must have a variety of enforcement provisions and procedures in place. One requirement is to have procedures under which the State has the authority in cases of past-due support to issue an order or to request that a court or an administrative process issue an order that requires the individual to pay support in accord with an approved plan or be subject to mandatory participation in work activities. (Section 466)

Explanation of provision

This amendment substitutes the term "overdue support" for "past-due support."

Reason for change

Because the statute currently uses the term "past-due support" in allowing States to impose work requirements on parents who owe child support arrearages, defined as the amount of delinquency determined under a court order, it is likely that a court order establishing the amount of the arrearage would be required before States could impose work orders. To avoid this cumbersome procedure, which would probably have the effect of minimizing State use of mandatory work for parents who owe arrearages, this amendment substitutes the term "overdue support" because it is defined in such a way that only the original child support obligation, not the arrearage, must be determined by court order.

Effective date

October 1, 1996.

22. ADDITIONAL TECHNICAL STATE PLAN AMENDMENTS (SECTION 322)

Present law

States must submit a State plan to the Secretary explaining the details of their child support enforcement program (see #1 above). Among 33 specific elements of the State plan required by the Federal statute are three that are amended by this section. First, States must establish a service to locate noncustodial parents using several sources of information including the Federal Parent Locator Service. Second, States that have an agreement to participate in use of the Federal Parent Locator Service to locate noncustodial parents for the purpose of enforcing laws on child kidnapping or for making or enforcing child custody determinations must accept and

transmit information authorized under the agreement, must impose and collect fees on individuals requesting such information sufficient to cover the costs to the State and the Secretary incurred in providing the information, and must take several related actions. Third, States must have in place several safeguards applicable to the handling of confidential information in order to protect the privacy rights of parties involved in child support activities. (Section 454)

Explanation of provision

As explained in detail above (see #4 on the Federal Parent Locator Service), the Committee bill revises the FPLS. This amendment clarifies the State plan section of the statute to be consistent with the FPLS section of the statute by requiring States to provide locate information on both custodial and noncustodial parents for the purpose of establishing parentage; establishing, setting the amount of, modifying, or enforcing child support obligations; and making or enforcing child custody or visitation determinations (subject to privacy safeguards). It also clarifies that only certain types of information can be disclosed. Similar and conforming wording changes are also made to the privacy subparagraph of the State plan section.

Reason for change

This amendment is a conforming amendment to provision #4 (see above) which requires States to use information in the Federal Parent Locator Service to locate both custodial and noncustodial parents for certain purposes.

Effective date

October 1, 1996.

23. FEDERAL CASE REGISTRY OF CHILD SUPPORT ORDERS (SECTION 323)

Present law

As part of the Federal Parent Locator Service (see #4 above), by October 1, 1998 the Secretary must establish the "Federal Case Registry of Child Support Orders". The Registry must contain abstracts of support orders and other information on each child support case in the State. (Section 453)

Explanation of provision

Due to an oversight, the Act implies that only cases that are part of the State child support enforcement program must be included in the Federal Case Registry. This technical amendment clarifies that both child support orders in the State program and child support orders that are not part of the State program (in other words, all child support orders) be included in the Federal Case Registry.

Reason for change

Congressional intent was to include all child support cases in each State's case registry of child support orders as well as every child support case in every State in the national registry of child support orders. Due to a drafting oversight, the Act implies that only cases that are part of the State child support enforcement pro-

gram (perhaps 60 percent of all child support cases) must be included in the registries. This amendment clarifies Congressional intent by mandating that information on all child support cases be placed in the registries.

Effective date

August 22, 1996.

24. FULL FAITH AND CREDIT FOR CHILD SUPPORT ORDERS (SECTION 324)

Present law

Under the full faith and credit requirements, a court of a State that no longer has continuing exclusive jurisdiction of a child support order may enforce the order with respect to the portion of the obligation which has not been modified. (Section 1738B of the U.S. Code)

Explanation of provision

This provision clarifies that when two or more courts have issued child support orders for the same obligor and child and none of the courts would have continuing, exclusive jurisdiction, a court with current jurisdiction must issue an order and that order must be recognized by all parties.

Reason for change

A major problem in interstate cases has been that more than one child support order, usually issued by courts in different States, are in effect simultaneously. As a result, it is often unclear which court has jurisdiction. The Uniform Interstate Family Support Act (UIFSA) has a provision, which was still being discussed at the time the Act was being debated, that clarifies which court has jurisdiction when two or more orders are in effect simultaneously. This amendment adopts the UIFSA provision in order to ensure that all States have the same provision requiring States to grant full faith and credit to the correct child support order.

Effective date

August 22, 1996.

25. DEVELOPMENT COSTS OF AUTOMATED SYSTEMS (SECTION 325)

Present law

The Secretary is required to distribute $400 million among the States to pay for the new automated data reporting requirements.

Explanation of provision

(a) Definition of State.—Defines "State" to include all systems approved by the Secretary to receive advance funding pursuant to the Family Support Act of 1988 and systems that have received funding under a waiver.

(b) Temporary Limitation on Payments.—Makes a conforming amendment to the funding formula for distributing the $400 million among the States.

Reason for change

(a) Definition of State.—The major effect of the new definition of "State" is that Los Angeles County will be treated as a State for purposes of data system funding. The Committee made this change because several years ago Los Angeles had created its own automated data system at the request of the Department of Health and Human Services. Thus, not to continue treating Los Angeles as a separate system would be unfair.

(b) Temporary Limitation on Payments.—This conforming amendment makes two sections of the child support statute consistent thereby avoiding contradictory statutory provisions.

Effective date

August 22, 1996.

26. ADDITIONAL TECHNICAL AMENDMENTS (SECTION 326)

Present law

This section contains the procedures relating to income withholding of support payments. (Section 466) This section also pertains to the statewide automated data processing and information retrieval system. (Section 344 of the Act) The Act provided that an amount equal to 1 percent of the amount of child support collected on behalf of "welfare" cases paid to the Federal government be appropriated for technical assistance to the States, and that an amount equal to 2 percent of this amount be appropriated for operation of the Federal Parent Locator Service. (Section 215 of the Department of Labor, HHS, and Education and Related Agencies Appropriations Act of 1997) This section also pertains to the amount of the child support obligation. (Section 456) States are required to establish and operate an automated data system containing selected information on all newly-hired employees in the State. The term employee is defined "within the meaning of Chapter 24 of the Internal Revenue Code of 1986." Finally, Federal child support law requires States to have a series of provisions and procedures that constitute an effective child support collection program. One of these mandatory procedures is wage withholding.

Explanation of provision

(a) Elimination of Surplusage.—Three extraneous words ("of section 466") that were erroneously included in the Act are eliminated.

(b) Correction of Ambiguous Amendment.—Words are inserted to clarify the location in the statute of an amendment made by the Act.

(c) Correction of Erroneously Drafted Provision.—Corrects a reference in the Fiscal Year 1997 Labor-HHS-Education appropriations bill for funding for technical assistance to the States and operation of the Federal Parent Locator Service. These amendments delete references to section 457(c) which pertains to the distribution of collected support, and instead refer to the child support enforcement program.

(d) Elimination of Surplusage.—An extraneous "and" is struck from this section.

(e) Correction of Date.—The income withholding provision of the welfare reform law inadvertently created a new category of income withholding cases by requiring income withholding in certain cases in which an order was issued before October 1, 1996. The amendment changes the "October 1, 1996" date to "January 1, 1994" .

Reason for change

(a) Elimination of Surplusage.—Eliminating extraneous words shortens the statute and improves its readability.

(b) Correction of Ambiguous Amendment.—Clarifying the precise location in the statute of an amendment improves the accuracy of the statute.

(c) Correction of Erroneously Drafted Provision.—Correcting section references that are wrong improves the accuracy of the statute.

(d) Elimination of Surplusage.—Eliminating unnecessary words shortens the statute and improves its readability.

(e) Correction of Date.—The "October 1, 1996" date appears to have been a drafting error. In any case, it was not Congressional intent to create a new category of child support cases.

Effective date

Sections (a) and (e) October 1, 1996, other sections August 22, 1996

27. EFFECTIVE DATE (SECTION 327)

Present law

No provision.

Explanation of provision

The amendments made by this title take effect as if they had been included in the Act.

Reason for change

Both Federal and State officials need to know when the Federal statutory provisions become effective so they can know how much time they have to prepare and pass legislation and prepare for implementation.

Effective date

Upon enactment.

Title IV—Restricting Welfare and Public Benefits for Aliens

Subtitle A—Eligibility for Federal Benefits

1. ALIEN ELIGIBILITY FOR FEDERAL BENEFITS: LIMITED APPLICATION TO MEDICARE AND BENEFITS UNDER THE RAILROAD RETIREMENT ACT (SECTION 401)

Present law

Noncitizens who are "non-qualified aliens" (generally, illegal immigrants and nonimmigrants such as students) are ineligible for all Federal public benefits, with limited exceptions for emergency med-

ical services, emergency disaster relief, immunizations and testing and treatment of symptoms of communicable diseases, community programs necessary for the protection of life or safety, certain housing benefits (only for current recipients), licenses and benefits directly related to work for which a nonimmigrant has been authorized to enter the U.S., and certain Social Security benefits protected by treaty or statute. (Section 401 of the Act)

Explanation of provision

(a) Limited Application to Medicare.—Allows "non-qualified" aliens who earned eligibility for Medicare benefits through work in the U.S. to receive them, so long as the alien was lawfully present when the work was performed and is lawfully present in the U.S. at the time of receipt of the benefits.

(b) Limited Application to Benefits Under the Railroad Retirement Act.—Allows individuals who are categorized as "non-qualified aliens" to claim railroad retirement and unemployment benefits if they are lawfully present.

Reason for change

These provisions clarify that, despite general restrictions on Federal benefits for "non-qualified" aliens, certain benefits—specifically Medicare and Railroad Retirement and Unemployment Insurance—are to remain available to those who earned them through work.

Effective date

August 22, 1996.

2. EXCEPTIONS TO BENEFIT LIMITATIONS: CORRECTIONS TO REFERENCE CONCERNING ALIENS WHOSE DEPORTATION IS WITHHELD (SECTION 402)

Present law

Various provisions in Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 provide exceptions for certain refugees and asylees (including aliens whose deportation is withheld) from general rules limiting aliens' eligibility for Federal, State, or local public benefits. (Sections 402, 403, 412, and 431 of the Act)

Explanation of provision

Changes a reference and certain effective dates in the law concerning aliens whose removal has been withheld due to prospective persecution to account for the reorganization of the Immigration and Nationality Act by P.L. 104–208.

Reason for change

Various provisions of Title IV of the welfare reform law except certain refugees and asylees from general rules limiting aliens' eligibility for Federal, State or local public benefits. The reference in these provisions to the statutory authority to withhold deportation does not take into account amendments to this authority made by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, which passed and was signed into law after welfare re-

form. The amendment reflects those changes, so that an alien whose deportation is withheld under the new provision is treated the same as one whose case was adjudicated under the old provision.

Effective date

August 22, 1996.

3. VETERANS EXCEPTION: APPLICATION OF MINIMUM ACTIVE DUTY SERVICE REQUIREMENT; EXTENSION TO UNREMARRIED SURVIVING SPOUSE; EXPANDED DEFINITION OF VETERAN (SECTION 403)

Present law

Noncitizens who are veterans, on active duty, or their spouses or unmarried dependent children are excepted from eligibility restrictions for benefits made under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. (Sections 402, 403, and 412 of the Act)

Explanation of provision

(a) Application of Minimum Active Duty Service Requirement.—Clarifies the veterans/active duty exception to assure that it is limited to individuals who meet the minimum service requirements for veterans benefits (typically requiring active-duty service of at least 2 years, at least 1 year for reservists, or less for those experiencing service-connected disabilities).

(b) Exception Applicable to Unremarried Surviving Spouse.—The veterans/active duty exception is clarified to expressly cover unremarried surviving spouses of noncitizen veterans or active duty personnel who would have been excepted had they survived. The new exception requires that a marriage meet the minimum time requirements that apply to survivors benefits under veterans law.

(c) Expanded Definition of Veteran.—Further clarifies the veterans/active duty exception to include two groups currently eligible for veterans benefits (those who died on active duty—therefore making their families eligible—and certain Filipino veterans) under the exception for welfare benefits for noncitizens.

Reason for change

Three changes are made to clarify the definition of veteran for purposes of exceptions to restrictions made under Title IV of the welfare reform bill. Each is made to conform the exception with related provisions in veterans law, to ensure that noncitizen veterans and families who qualify for veterans benefits will continue to qualify for welfare benefits as well. First, the same minimum duty requirements are expected of noncitizen veterans who claim welfare benefits as currently apply for receipt of veterans benefits. Second, the term "spouse" is defined to include unremarried surviving spouses of veterans, again in keeping with standards now used in veterans law. Finally, two groups—certain Filipino veterans of World War II and the families of those who died on active duty—that currently qualify for certain veterans benefits based on their

or their relatives' service are included under the coverage of the veterans exception.

Effective date

August 22, 1996.

4. CORRECTION OF REFERENCE CONCERNING CUBAN AND HAITIAN ENTRANTS (SECTION 404)

Present law

Despite the 5-year restriction on Federal means-tested public benefits for qualified aliens who arrive in the U.S. after August 22, 1996, special refugee and entrant assistance remains available to Cuban and Haitian entrants (as defined in the Refugee Education Assistance Act of 1980). (Section 403 of the Act)

Explanation of provision

The amendment makes a reference change to ensure that Cuban and Haitian entrants continue to be eligible to receive special entrant assistance during the months immediately after their entry, consistent with the intent of the Act.

Reason for change

This reference change is made to ensure that certain Cuban and Haitian entrants will continue to qualify for special entrant assistance, in accordance with the intent of the Act.

Effective date

August 22, 1996.

5. NOTIFICATION CONCERNING ALIENS NOT LAWFULLY PRESENT: CORRECTION OF TERMINOLOGY (SECTION 405)

Present law

Section 404 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 requires officials administering Temporary Assistance for Needy Families, Supplemental Security Income, and public housing programs to notify the Immigration and Naturalization Service about individuals they know are "unlawfully in the United States." (Section 1631 of the Social Security Act and Section 27 of the U.S. Housing Act of 1937)

Explanation of provision

This provision replaces "unlawfully in the United States" with "not lawfully present in the United States" to make the language of this section consistent with terminology used elsewhere in the statutes.

Reason for change

This provision makes technical changes to conform the language of the welfare law with other statutes.

Effective date

August 22, 1996.

6. FREELY ASSOCIATED STATES: CONTRACTS AND LICENSES (SECTION 406)

Present law

Noncitizens who are "non-qualified aliens" (generally, illegal immigrants and nonimmigrants such as students) are ineligible for all Federal, State, and local public benefits, with limited exceptions for emergency medical services, emergency disaster relief, immunizations and testing and treatment of symptoms of communicable diseases, community programs necessary for the protection of life or safety, certain housing benefits (only for current recipients), licenses and benefits directly related to work for which a nonimmigrant has been authorized to enter the U.S., and certain Social Security benefits protected by treaty or statute. (Sections 401 and 411 of the Act)

Explanation of provision

This change allows residents of the freely associated states (the Marshall Islands, the Federated States of Micronesia, and Palau) who are legally in the United States but are categorized as "non-qualified aliens" to receive Federal, State, and local contracts and professional or commercial licenses permitting them to work.

Reason for change

The compacts of free association were intended to foster a close relationship between the United States and three Pacific island nations (the Marshall Islands, the Federated States of Micronesia, and Palau). For the United States, the relationship included military use rights and third country denial rights. For the freely associated states, the relationship included military protection, financial aid, and the right to enter, work, live, and be educated in the United States. Thus this provision clarifies that, in keeping with these compacts, residents of the freely associated states may enter the U.S. and pursue work by qualifying for contracts and professional and commercial licenses that are otherwise restricted to "non-qualified aliens."

Effective date

August 22, 1996.

7. CONGRESSIONAL STATEMENT REGARDING BENEFITS FOR HMONG AND OTHER HIGHLAND LAO VETERANS (SECTION 407)

Present law

Noncitizens who are veterans, on active duty, or their spouses or unmarried dependent children are excepted from eligibility restrictions for benefits made under Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. (Sections 402, 403, and 412 of the Act)

Explanation of provision

This provision lists several findings by the Congress pertaining to Hmong and other Highland Lao tribal peoples who fought on behalf of the United States during the Vietnam conflict: that they

were recruited, armed, and trained by agencies of the United States government; that they sacrificed their own lives and saved the lives of American forces; that many of those who fought on behalf of the United States have since been admitted into the United States; and that these veterans would not qualify for the veterans exceptions to certain restrictions on welfare benefits for noncitizens in Title IV of the welfare reform bill. Thus, the provision expresses the sense of the Congress that Hmong and other Highland Lao veterans should be considered veterans for purposes of the veterans exceptions to certain restrictions on welfare for noncitizens.

Reason for change

This provision expresses the sense of the Congress that Hmong and other Highland Lao veterans who fought on behalf of the United States during the Vietnam conflict should be treated like other noncitizen veterans under the welfare reform law, continuing benefits for them and their families. This would reinforce the intent of the law that welfare benefits are generally reserved for citizens and noncitizens who have worked or otherwise served our country.

Effective date

Upon enactment.

Subtitle B—General Provisions

8. DETERMINATION OF TREATMENT OF BATTERED ALIENS AS QUALIFIED ALIENS; INCLUSION OF ALIEN CHILD OF BATTERED PARENT AS QUALIFIED ALIEN (SECTION 411)

Present law

In determining eligibility for Federal, State and local benefits, certain aliens who are battered or subjected to extreme cruelty by a sponsor or family member are included in the definition of "qualified alien" for purposes of receiving benefits. Further, deeming rules that would otherwise apply are waived for at least 12 months in such cases. These special rules apply to certain abused aliens themselves and, if they are children, to their innocent parents. (Section 431 of the Act)

Explanation of provision

(a) Determination of Status by Agency Providing Benefits.—To facilitate implementation of the special rules for abused aliens, an agency that is providing a benefit, and not the Attorney General, is to determine whether individual applicants qualify under the special rules.

(b) Guidance Issued by Attorney General.—Adds the requirement that the Attorney General, after consulting with the heads of Federal agencies administering benefits, issue guidance on terms and methods used in administering this exception. Such guidance is to be in the Attorney General's sole and unreviewable discretion.

(c) Inclusion of Alien Child of Battered Parent as Qualified Alien.—Because certain benefits depend on the eligibility of a child (for example, the former AFDC system and the new TANF block grant program), some families headed by a mother who had been battered would remain ineligible for certain benefits because the

present law "battered" exception does not extend to the child. To allow for benefits in such cases, this provision amends the special rule that makes certain abused aliens "qualified aliens" to include the children of parents who have been abused.

(d) Inclusion of Alien Child of Battered Parent Under Special Rule for Attribution of Income.—Similar to (c) above, special exceptions to deeming rules included in the immigration reform law with regard to battered individuals are applied to children of battered individuals.

Reason for change

These provisions are intended to ease and improve the implementation of special exceptions (made in the immigration reform law passed after the welfare reform law near the close of the 104th Congress) for certain "battered" aliens. Thus the Attorney General is required, after consulting with other agency heads, to issue guidance (in her sole and unreviewable discretion) on terms and methods used in administering the exception. Agencies experienced in making eligibility determinations are to assess both an individual's basic eligibility for benefits as well as eligibility under the "battered" exception. In each case the aim is to facilitate decision-making and speed the availability of benefits in appropriate cases. Further, the alien child of a battered individual is included under the scope of this exception, so that benefits linked to children, especially Temporary Assistance for Needy Families, will remain available for children and families in need. Finally, the children of battered individuals are excepted from deeming rules that would otherwise apply.

It is useful to note that States may (but are not required to) provide exceptions to the 5-year time limit on Federal cash welfare assistance for individuals who have been battered or subjected to extreme cruelty (States may exempt up to 20 percent of their caseload from the time limit).

Effective date

August 22, 1996.

9. VERIFICATION OF ELIGIBILITY FOR BENEFITS (SECTION 412)

Present law

The Attorney General must adopt regulations to verify the "qualified alien" status of applicants for Federal benefits by no later than February 22, 1998. (Section 432 of the Act)

Explanation of provision

(a) Regulations and Guidance.—To assist States in determining the eligibility of individual aliens for Federal, State and local benefits under the new welfare reform and immigration laws, this provision directs the Attorney General to issue near term-guidance to States (within 90 days of enactment of the technical corrections bill) and also to provide more thorough regulations by February 22, 1998.

(b) Disclosure of Information for Verification.—Authorizes the disclosure of verification information about those who have been

battered, including to non-governmental benefit providers, assuring that full benefits are made available to those eligible for this exception.

Reason for change

This provision is designed to provide States with early Federal guidance on procedures to be used in verifying aliens' eligibility for benefits. In addition, to assist in administering the exception for certain "battered" aliens described above, this provision specifies that verification information about those who have been battered may be disclosed to non-governmental benefits providers, assuring that full benefits will be available to all who qualify.

Effective date

With regard to interim guidance, the Attorney General must provide the guidance within 90 days after enactment of the technical corrections bill (in addition to issuing final regulations by February 22, 1998). Regarding disclosure of information, August 22, 1996.

10. QUALIFYING QUARTERS: DISCLOSURE OF QUARTERS OF COVERAGE INFORMATION; CORRECTION TO ASSURE THAT CREDITING APPLIES TO ALL QUARTERS EARNED BY PARENTS BEFORE CHILD IS 18 (SECTION 413)

Present law

The welfare reform law excepts from its alienage restrictions individuals who have worked for at least 40 quarters while in the U.S. Under this exception, each quarter of work performed by a parent while an alien was under the age of 18 is credited to the alien, and each quarter of work performed by a spouse of an alien during their marriage is credited to the alien. (Section 435 of the Act)

Explanation of provision

(a) Disclosure of Quarters of Coverage Information.—Provides explicit authority (notwithstanding restrictions in the Internal Revenue Code pertaining to the disclosure of tax data) for the Social Security Administration to release quarters of work information to State and other Federal agencies that need it to administer the "40 quarters of work" exception.

(b) Correction to Assure that Crediting Applies to All Quarters Earned by Parents Before Child is 18.—Even though the Act credits noncitizen children with work performed by their parents prior to the child's turning 18, a child would not be credited with work performed by a parent prior to the child's birth. This provision makes a technical clarification so that children are credited with their parents' complete work history, not just that part that occurred between the child's birth and attaining age 18.

Reason for change

Two changes are made to clarify Congressional intent in this section of the welfare reform law. First, to ensure that State and Federal agencies can access reliable data on aliens' work histories for purposes of providing exceptions for those who have worked at

least 40 quarters, the Social Security Administration is authorized to release such data to agencies despite restrictions in the Internal Revenue Code. Second, children are credited with their parents' complete work history, not just that part that occurred between the child's birth and attaining age 18. This will have the effect of excepting from changes all, instead of only some, alien children whose parents have already performed at least 40 quarters of work in the U.S.

Effective date

August 22, 1996.

11. STATUTORY CONSTRUCTION: BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE ONLY WITH RESPECT TO ALIENS PRESENT IN THE UNITED STATES (SECTION 414)

Present law

Noncitizens who are "non-qualified aliens" (generally, illegal immigrants and nonimmigrants such as students) are ineligible for all Federal, State, and local benefits, with limited exceptions such as for emergency medical services. (Sections 401 and 411 of the Act)

Explanation of provision

Clarifies that wages, pensions, and other earned payments (including veterans benefits) stemming from authorized work are not to be restricted for noncitizens living outside of the U.S.

Reason for change

Without clarification, several government agencies expressed concerns that, for example, noncitizen veterans of the U.S. armed forces who have since returned to their home countries (technically making them "non-qualified aliens" under the welfare law) could lose access to veterans benefits they earned through their service here. Other concerns raised involved noncitizens who work or have worked at U.S. embassies overseas, who some feared might become ineligible to receive salaries or other earned benefits resulting from their work. This provision clarifies that in administering all provisions of Title IV, and especially Sections 401 and 411 relating to benefits for non-qualified aliens, restrictions on public benefits do not apply to earned benefits from work by noncitizens outside the U.S. or by noncitizens who have since left this country and are collecting veteran, pension or other benefits based on their prior work in the U.S.

Effective date

August 22, 1996.

Subtitle C—Miscellaneous Clerical and Technical Amendments; Effective Date

12. CORRECTING MISCELLANEOUS CLERICAL AND TECHNICAL ERRORS (SECTION 421)

Present law

Items affected by this section concern information reporting under Section 408 of the Social Security Act, alien eligibility for State and local public benefits, deeming with respect to State programs, treatment of battered aliens, and subtitle headings. (Sections 411, 412, 422, 431 and subtitles D and F of title IV of the Act)

Explanation of provision

Makes a series of technical changes related to incorrect references, restoration of a provision inadvertently removed, clarification of changed terminology, and grammatical errors.

Reason for change

These technical changes are made to correct erroneous references and other inadvertent mistakes made in the drafting of the Act.

Effective date

The provision regarding information reporting is effective July 1, 1997; other provisions are effective August 22, 1996.

13. EFFECTIVE DATE (SECTION 422)

Present law

Provisions of the Personal Responsibility and Work Opportunity Reconciliation Act became effective after August 22, 1996.

Explanation of provision

Except as otherwise provided, the technical corrections made in this title are to take effect as if included in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Reason for change

Except as otherwise provided, the technical corrections made in this title are to take effect as if included in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, to ease and improve the implementation of various provisions of the welfare reform law.

Effective date

August 22, 1996.

Title V—Child Protection

1. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO CHILD PROTECTION (SECTION 501)

Present law

The Secretary is directed to conduct a national random sample study of abused and neglected children; $6 million annually in entitlement funding is provided through Fiscal Year 2002 (Section 429A of the Social Security Act). (Note. The Appropriations Committee rescinded the entitlement money for Fiscal Year 1996 and Fiscal Year 1997 but included funding for the study in Fiscal Year 1997 appropriations for social services research.) As a result of two separate laws enacted in the 104th Congress, two sections labeled "471(a)(18)" appear in the Social Security Act. The first provision addresses discrimination in foster and adoptive placements; the second provision deals with kinship care.

Explanation of provision

(a) Methods Permitted for Conduct of Study of Child Welfare.—Standard language allowing HHS to conduct research "directly or through grants, contracts, or interagency agreements" is inserted in the provision that authorizes the national study of abuse and neglect.

(b) Redesignation of Paragraph.—This provision changes the designation of the subparagraph on kinship care, which was passed as part of welfare reform, from "18" to "19".

Reason for change

(a) Methods Permitted for Conduct of Study of Child Welfare.—This amendment promotes effectiveness and efficiency by allowing the Secretary to conduct the Congressionally-mandated study of child welfare directly or through grants, contract, or interagency agreements.

(b) Redesignation of Paragraph.—Eliminating duplicate subparagraph numbers eliminates confusion in reading the statute and in designating cross references.

Effective date

August 22, 1996.

2. ADDITIONAL TECHNICAL AMENDMENTS RELATING TO CHILD PROTECTION (SECTION 502)

Present law

As a result of two separate laws enacted in the 104th Congress, two sections labeled "422(b)(9)" appear in the Social Security Act. The first deals with recruitment of ethnically diverse foster families; the second establishes various protections for children in foster care.

Explanation of provision

(a) Part B Amendments.—This provision changes the designation of the subparagraph on protection for children in foster care from

"9" to "10" and changes a cross reference to the new subparagraph "10".

(b) Part E Amendments.—A cross reference to the new subparagraph "10" is conformed.

Reason for change

(a) Part B Amendments.—Eliminating duplicate subparagraph letters eliminates confusion in reading the statute and in designating cross references.

(b) Part E Amendments.—Same as "a".

Effective date

August 22, 1996.

3. EFFECTIVE DATE (SECTION 503)

Present law

No provision.

Explanation of provision

The amendments made by this title take effect as if they had been included in the Act.

Reason for change

Both Federal and State officials need to know when the Federal statutory provisions become effective so they can know how much time they have to prepare and pass legislation and prepare for implementation.

Effective date

August 22, 1996.

Title VI—Child Care

1. CONFORMING AND TECHNICAL AMENDMENTS RELATING TO CHILD CARE (SECTION 601)

Present law

Each State is entitled to a fixed amount of child care funds each year, based on expenditures for child care in previous years under programs that have been replaced. Remaining entitlement funds are allotted among States, subject to matching and maintenance-of-effort requirements, according to the number of children in each State under age 13 (Section 418 of the Social Security Act). "State" is defined as the 50 States or the District of Columbia (Section 418(d) of the Social Security Act). The Act does not provide mandatory child care funds to the territories.

Explanation of provision

(a) Funding.— Makes several changes in the wording of headings and text to clarify the provisions on State allotments and Federal matching of State expenditures; also clarifies the method for reallocating unused child care funds.

(b) Data Used to Determine Historic State Expenditures.—The Act created new maintenance of effort requirements, based on his-

toric State expenditures for child care, as a condition of receiving Federal funds above the general entitlement grant based on historic Federal payments. However, the data sources to be used in calculating Federal and State expenditures in the base years was not specified. This section specifies the appropriate data sources.

(c) Definition of State.—Clarifies that the definition of the term "State" means the 50 States and the District of Columbia.

Reason for change

(a) Funding.—The changes in wording of statutory headings and text make the statute easier to read and less subject to misinterpretation.

(b) Data Used to Determine Historic State Expenditures.—Specifying the precise sources of data to be used in calculating historic State expenditures eliminates confusion in achieving an unambiguous definition of this important term.

(c) Definition of State.—Eliminating grammatically confusing language promotes accuracy and improves the readability of the statute.

Effective date

October 1, 1996 except the provision on child care allotments among the States which become effective on October 1, 1997.

2. ADDITIONAL CONFORMING AND TECHNICAL AMENDMENTS (SECTION 602)

Present law

The Secretary is required to develop minimum child care standards for Indian tribes and tribal organizations that would apply in lieu of State or local requirements. States are required to collect and report specified data to the Secretary. The Secretary may disapprove the data submitted if the State uses sampling methods. States are not allowed to base program data that must be reported to the Federal government on statistical samples. States are required to submit aggregate data to the Secretary every 6 months; the Secretary must report to Congress every 2 years, with the first report due in 1997 (Sections 658E, 658K, 658L, 658O, and 658P of the Child Care and Development Block Grant).

Explanation of provision

A grammatical error is corrected by changing the term "tribal organization" to the term "tribal organizations." Several minor changes in data reporting are also made in this section including: reporting whether each member of the family unit is a single parent; dropping the requirement to report the amount of income attributable to several sources and indicating simply whether any income derives from each of several sources; and requiring States to indicate the amount of income both from the State program funded under Part A as well as whether the family had income from another State program that counts toward the Part A maintenance of effort requirement. States are given the authority to use scientific samples if the method of sampling is approved by the Secretary.

Reason for change

The changes in data reporting were made at the request of the States through the National Governors Association and the American Public Welfare Association. The changes make it easier for States to fulfill the Federal data reporting mandate. Similarly, use of scientific sampling methods greatly reduces State expenses without sacrificing data accuracy or reliability.

Effective date

October 1, 1996.

3. REPEALS (SECTION 603)

Present law

Child Development Associate Scholarships provide grants to States to help low-income individuals obtain the CDA credential. State Dependent Care Development Grants are used to develop before- and after-school child care programs and resource and referral systems. Title X of the Elementary and Secondary Education Act authorizes programs of national significance; eligible activities include child care for students participating in these programs. Native Hawaiian Family-Based Education Centers conduct parent training programs and preschool programs. Of these four programs, Native Hawaiian Family-Based Education Centers is the only one currently funded.

Explanation of provision

Four programs—the Child Development Associate Scholarship Assistance Act of 1985, the State Dependent Care Development Grants Act, the Title X (of the Elementary and Secondary Education Act) Programs of National Significance, and the Native Hawaiian Family-Based Education Centers—are repealed. The latter program is not repealed until fiscal year 1998 because funding for Fiscal Year 1997 has already been appropriated.

Reason for change

The authority to continue operating several defunct child care programs was eliminated in the House-passed version of the welfare reform bill. However, the provision was struck in the Senate because it violated the Byrd rule. Including the provision here eliminates defunct spending authority and promotes efficiency by streamlining the number of Federal child care programs.

Effective date

October 1, 1996, except the provision on the Native Hawaiian Family-Based Education Centers which becomes effective on October 1, 1997.

4. EFFECTIVE DATES (SECTION 604)

Present law

No provision.

Explanation of provision

The amendments made by this title take effect as if they had been included in the Act (which made most child care provisions effective on October 1, 1996) except that the amendments clarifying the State allotments and requiring use of the current year rather than the 1995 Medicaid matching rate are effective beginning in fiscal year 1998.

Reason for change

Both Federal and State officials need to know when the Federal statutory provisions become effective so they can know how much time they have to prepare and pass legislation and prepare for implementation.

Effective date

Upon enactment.

III. VOTE OF THE COMMITTEE

In compliance with clause 2(*l*)(2)(B) of rule XI of the Rules of the House of Representatives, the following statements are made concerning the votes of the Committee on Ways and Means in its consideration of the bill H.R. 1048.

MOTION TO REPORT THE BILL

The bill, H.R. 1048, as amended, was ordered favorably reported by a rollcall vote of 33 yeas to 0 nays (with a quorum being present). The vote was as follows:

Representatives	Yea	Nay	Representatives	Yea	Nay
Mr. Archer	X		Mr. Rangel	X	
Mr. Crane	X		Mr. Stark	X	
Mr. Thomas	X		Mr. Matsui	X	
Mr. Shaw	X		Mrs. Kennelly	X	
Mrs. Johnson	X		Mr. Coyne		
Mr. Bunning	X		Mr. Levin	X	
Mr. Houghton	X		Mr. Cardin	X	
Mr. Herger	X		Mr. McDermott		
Mr. McCrery	X		Mr. Kleczka	X	
Mr. Camp	X		Mr. Lewis	X	
Mr. Ramstad	X		Mr. Neal	X	
Mr. Nussle	X		Mr. McNulty	X	
Mr. Johnson	X		Mr. Jefferson	X	
Ms. Dunn	X		Mr. Tanner	X	
Mr. Collins			Mr. Becerra	X	
Mr. Portman			Mrs. Thurman	X	
Mr. English					
Mr. Ensign	X				
Mr. Christensen					
Mr. Watkins	X				
Mr. Hayworth	X				
Mr. Weller	X				
Mr. Hulshof	X				

IV. BUDGET EFFECTS OF THE BILL

A. Committee Estimate of Budgetary Effects

In compliance with clause 7(a) of rule XIII of the Rules of the House of Representatives, the following statement is made: The Committee agrees with the estimate prepared by the Congressional Budget Office (CBO) which is included below.

B. Statement Regarding New Budget Authority and Tax Expenditures

In compliance with clause 2(l)(3)(B) of rule XI of the Rules of the House of Representatives, the Committee states that the provisions in the Committee bill, if enacted, would decrease direct spending by $51 million over the budget period Fiscal Years 1997–2002.

C. Cost Estimate Prepared by the Congressional Budget Office

In compliance with clause 2(l)(3)(C) of rule XI of the Rules of the House of Representatives requiring a cost estimate prepared by the Congressional Budget Office (CBO), the following report prepared by CBO is provided.

U.S. Congress,
Congressional Budget Office,
Washington, DC, April 28, 1997.

Hon. Bill Archer,
Chairman, Committee on Ways and Means,
House of Representatives, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1048, a bill to make technical amendments relating to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contacts are Sheila Dacey, Justin Latus, and Kathy Ruffing for federal costs, and Marc Nicole for state and local impacts.

Sincerely,

James L. Blum
(For June E. O'Neill, Director).

Enclosure.

H.R. 1048—A bill to make technical amendments relating to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996

SUMMARY

H.R. 1048 would make corrections, mostly of a technical or clarifying nature, to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193) and to the Social Security Act. Most of its provisions would have no or negligible budgetary effects. The only substantive budgetary effects would come from provisions to extend the authority of the Commissioner of Social Security to waive certain provisions of law for research

and demonstration purposes, to further restrict the payment of Social Security benefits to prisoners, and to change the requirements for distributing the proceeds of child support collections.

H.R. 1048 contains intergovernmental mandates as defined in the Unfunded Mandates Reform Act of 1995 (UMRA), but CBO estimates that the direct cost of these provisions would not exceed the threshold established in the law ($50 million in 1996, adjusted annually for inflation). The bill contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 1048 is displayed in the following table.

	Outlays by fiscal year in millions of dollars—					
	1997	1998	1999	2000	2001	2002
DIRECT SPENDING						
Spending Under Current Law:						
Child support collections	−841	−1,057	−1,108	−1,110	−1,123	−1,178
Food stamps	23,794	24,450	25,884	27,226	28,645	29,417
Old-age, survivors, and disability insurance	362,966	380,747	399,470	419,516	440,719	463,650
Supplemental Security Income	27,258	26,135	28,001	32,593	29,733	34,638
Total	413,177	430,275	452,247	478,225	497,974	526,527
Proposed Changes:						
Child support collections	(1)	−11	2	5	−1	−1
Food stamps	(1)	3	(1)	−1	(1)	(1)
Old-age, survivors, and disability insurance	(1)	6	(1)	−6	−9	−10
Supplemental Security Income	(1)	(1)	−6	−7	−7	−8
Total	(1)	−2	−4	−9	−17	−19
Spending Under H.R. 1048:						
Child support collections	−841	−1,068	−1,106	−1,105	−1,124	−1,179
Food stamps	23,794	24,453	25,884	27,225	28,645	29,417
Old-age, survivors, and disability insurance	362,966	380,753	399,470	419,510	440,710	463,640
Supplemental Security Income	27,258	26,135	27,995	32,586	29,726	34,630
Total	413,177	430,273	452,243	478,216	497,957	526,508
AMOUNTS SUBJECT TO APPROPRIATION						
Administrative expenses of the Social Security Administration	(1)	(1)	9	8	5	6

[1] Less than $500,000.

The costs of this legislation fall within budget functions 600 (income security) and 650 (Social Security).

BASIS OF ESTIMATE

Direct spending

CBO's estimates assume that the bill would be enacted by July 1, 1997. The following sections describe only those sections of the bill that are estimated to have significant budgetary effects.

Title II—Supplemental Security Income.—Despite the heading, most of the budgetary effects of Title II would occur in Social Security rather than in Supplemental Security Income. Many of the provisions appeared in H.R. 4039, a technical corrections bill that passed the House in September 1996 but died at the end of the 104th Congress.

The Social Security Administration (SSA) has the authority to conduct certain research and demonstration (R&D) projects that occasionally require waivers of provisions of Title II of the Social Security Act. That waiver authority expired on June 10, 1996. This bill would extend it until June 10, 1999. This would be the fifth extension since the waiver authority was enacted in 1980. When the waiver authority has been in effect, SSA has generally spent between $2 million and $7 million annually on the affected R&D projects. Because the proposed extension is effectively for two years, CBO judges that it would lead to outlays of $14 million, chiefly in fiscal years 1998 and 1999.

H.R. 1048 would also strengthen restrictions on the payment of Social Security benefits to prisoners. Current law sets strict limits on the payment of Supplemental Security Income (SSI) benefits to incarcerated people, and somewhat milder limits on such payments in the Old-Age, Survivors, and Disability Insurance (OASDI) program. SSI recipients who are in prison for a full month—regardless of whether they are convicted—are to have their benefits suspended while they are incarcerated. OASDI recipients who have been convicted of an offense carrying a maximum sentence of 1 year or more are to have their benefits suspended. Those who are convicted of lesser crimes, and those who are in jail awaiting trial, may still collect OASDI benefits. Those provisions are enforced chiefly by an exchange of computerized data between the Social Security Administration and the Federal Bureau of Prisons, state prisons, and some county jails. Those agreements are voluntary and, until recently, involved no payments to the institutions.

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 changed that arrangement by directing SSA to pay institutions for reporting information that led to the identification of ineligible SSI recipients. The payment is $400 if the institution reports information within 30 days of confinement, and $200 if the report is made 30 to 90 days after confinement. The law also exempts matching agreements between SSA and correctional institutions from certain provisions of the Privacy Act.

This bill would establish analogous arrangements for the OASDI program. It would also drop the requirement that OASDI benefits be suspended only if the maximum sentence for the offense is 1 year or more. (A conviction would still be required; inmates who are in jail while they await trial could continue to collect benefits.) CBO estimated the effects of this provision, like its predecessor in the welfare reform law, by analyzing data from several sources that suggest about 4 percent to 5 percent of prisoners were receiving Social Security, SSI benefits, or both before incarceration. Recent reports from SSA's Inspector General suggest that some of those prisoners are overlooked under current matching arrangements either because their institution has not signed an agreement or has not renewed one promptly.

CBO estimates that, over the 1997–2002 period, the provision in H.R. 1048 would lead to payments of $36 million to correctional institutions out of the OASDI trust funds and benefit savings of $69 million, for a net saving of $33 million. CBO also expects that the broader arrangement would encourage more correctional institutions to submit information, and would lead to spillover savings in

the SSI program amounting to nearly $30 million over the 1997–2002 period. Both the payments and the savings in benefits would occur automatically, without the need for appropriations. The cost to SSA of administering the provision, in contrast, would be subject to appropriation and is estimated to total $28 million over six years (see below).

Title III—Child Support.—Section 302(b) of H.R. 1048 would give states flexibility to decide when to apply new rules for distributing past-due child support payments to former recipients of public assistance. The provision would allow states to delay implementation of some of the new distribution rules, creating savings in the near term, while accelerating implementation of other changes, creating some offsetting costs in later years. In addition, it would allow states to phase in the rules a little more slowly, thus creating some very small savings after 2000. On balance, CBO estimates a net federal savings of $6 million over the 1997–2002 period in child support, partially offset by costs of $2 million in Food Stamp expenditures.

When a family stops receiving public assistance, states continue to collect and enforce the family's child support order. All amounts of child support collected on time are sent directly to the family. Under previous law, however, states often kept collections of past-due child support to reimburse themselves and the federal government for past welfare payments.

Last year's welfare reform law requires states to distribute more past-due child support collections to former recipients of public assistance than under prior law, reducing the amount that the federal and state governments recoup from previous benefit payments. Those distribution rules will phase in starting in 1998:

> Starting in 1998, states will be required to pay families any collections that are past-due from the period after the family leaves public assistance (post-assistance arrears).
>
> Starting in 2001, states will be required to pay families any collections that are past-due from the period before the family received public assistance (pre-assistance arrears. The requirement applies only to families that begin to receive assistance after 1997.

Section 302(b) would allow states to choose an alternative set of distribution rules. Under the alternative, states would apply the new rules for both pre- and post-assistance arrears starting in 1999, and the new requirement for pre-assistance arrears would apply to families that begin to receive public assistance in 1999 or thereafter.

Many states already pay post-assistance arrears to families. CBO assumes these states would not exercise the option provided by H.R. 1048 because they would incur costs for earlier payment of pre-assistance arrears but no offsetting savings on payments of post-assistance arrears. This estimate assumes that about half of the remaining states, accounting for 25 percent of child support collections, would choose to exercise the option provided by this bill. If more states choose to exercise the option, then savings would be greater.

The provision would create federal savings in 1998 because states would not be required to give post-assistance arrears to fam-

ilies in that year and could instead keep the collections to reimburse themselves and the federal government. CBO estimates that the federal government would receive an additional $11 million in child support collections in 1998. Some families who are affected by the new distribution rules receive food stamps. In 1998, those families would qualify for an extra $3 million in Food Stamp benefits because their child support income would be lowered.

Giving pre-assistance arrears to families beginning in 1999 instead of 2001 would create federal costs in 1999 and 2000, estimated at $2 million and $4 million (net of Food Stamp savings) respectively. Finally, the new rules would apply to families who begin to receive assistance after 1998 instead of 1997. This creates small savings, $1 million a year, in 2001 and 2002.

Amounts subject to appropriation

CBO judges that the expansion of agreements between the Social Security Administration and correctional institutions would lead to higher administrative costs, estimated at $28 million over the 1997–2002 period. CBO assumed that information about prison inmates—even if submitted in computerized form—would ultimately have to be processed by hand before leading to a suspension of benefits that such investigations would cost about $300 each, and that—because jails are high-turnover institutions—only about one out of five investigations would result in a suspension of benefits.

PAY-AS-YOU-GO CONSIDERATIONS

Section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 sets up pay-as-you-go procedures for legislation affecting direct spending or receipts through 1998. These procedures exclude any effects on the outlays and revenues of the Social Security trust funds (which have their own scorecard). For pay-as-you-go purposes, CBO estimates that H.R. 1048 would reduce outlays by $8 million in 1998.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 1048 contains intergovernmental mandates as defined in UMRA. However, CBO estimates that the direct cost of these provisions would be negligible and would not exceed the threshold established in the law ($50 million in 1996, adjusted annually for inflation). The new requirements include prohibiting states from collecting certain child support fees, requiring the distribution of a certain portion of child support collections for foster care recipients, and modifying some administrative provisions. The bill also contains several provisions that would provide state and local governments with additional flexibility that would help them achieve savings to offset some of the new costs. The bill would not have any other significant effects on the budgets of state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

The bill contains no private-sector mandates as defined in UMRA.

Estimate prepared by.—Federal Costs: Sheila Dacey, Justin Latus, and Kathy Ruffing. Impact on State, Local, and Tribal Governments: Marc Nicole. Impact on the Private Sector: Kathryn Rarick.

Estimate approved by.—Paul N. Van de Water, Assistant Director for Budget Analysis.

V. OTHER MATTERS REQUIRED TO BE DISCUSSED UNDER THE RULES OF THE HOUSE

A. Committee Oversight Findings and Recommendations

In compliance with clause 2(l)(3)(A) of rule XI of the Rules of the House of Representatives, the Committee reports that the need for this legislation was confirmed by an oversight hearing of the Subcommittee on Human Resources. The Subcommittee on Human Resources held a hearing on various technical corrections to Public Law 104–193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, on February 26, 1997.

B. Summary of Findings and Recommendations of the Government Reform and Oversight Committee

In compliance with clause 2(l)(3)(D) of rule XI of the Rules of the House of Representatives, the Committee states that no oversight findings or recommendations have been submitted to the Committee on Government Reform and Oversight regarding the subject of the bill.

C. Constitutional Authority Statement

With respect to clause 2(l)(4) of rule XI of the Rules of the House of Representatives, relating to Constitutional Authority, the Committee states that the Committee's action in reporting the bill is derived from Article I of the Constitution, Section 8 ("The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay the debts and to provide for * * * the general Welfare of the United States * * *").

VI. CHANGES IN EXISTING LAWS MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

SOCIAL SECURITY ACT

* * * * * * *

TITLE II—FEDERAL OLD-AGE, SURVIVORS, AND DISABILITY INSURANCE BENEFITS

FEDERAL OLD-AGE AND SURVIVORS INSURANCE TRUST FUND AND FEDERAL DISABILITY INSURANCE TRUST FUND

SEC. 201. (a) * * *

* * * * * * *

(g)(1)(A) The Managing Trustee of the Trust Funds (which for purposes of this paragraph shall include also the Federal Hospital Insurance Trust Fund and the Federal Supplementary Medical Insurance Trust Fund established by title XVIII) is directed to pay from the Trust Funds into the Treasury—

(i) * * *

(ii) the amounts estimated (pursuant to the applicable method prescribed under paragraph (4) of this subsection) by the Commissioner of Social Security which will be expended, out of moneys made available for expenditures from the Trust Funds, during such three-month period to cover the cost of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 other than those referred to in clause (i) *and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee.*

* * * * * * *

For purposes of this subparagraph, the term "continuing disability review" means a review conducted pursuant to section 221(i) and a review or disability eligibility redetermination conducted to determine the continuing disability and eligibility of a recipient of benefits under the supplemental security income program under title XVI, including any review or redetermination conducted pursuant to section 207 or 208 of the Social Security Independence and Program Improvements Act of 1994 (Public Law 103–296) *and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee.*

(B) After the close of each fiscal year—

(i) the Commissioner of Social Security shall determine—

(I) the portion of the costs, incurred during such fiscal year, of administration of this title, title XVI, and title XVIII for which the Commissioner is responsible and of carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of [subparagraph (A)),] *subparagraph (A)) and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative*

payee, which should have been borne by the general fund of the Treasury.

* * * * * * *

(C) After the determinations under subparagraph (B) have been made for any fiscal year, the Commissioner of Social Security and the Secretary shall each certify to the Managing Trustee the amounts, if any, which should be transferred from one to any of the other such Trust Funds and the amounts, if any, which should be transferred between the Trust Funds (or one of the Trust Funds) and the general fund of the Treasury, in order to ensure that each of the Trust Funds and the general fund of the Treasury have borne their proper share of the costs, incurred during such fiscal year, for—

(i) the parts of the administration of this title, title XVI, and title XVIII for which the Commissioner of Social Security is responsible,

(ii) the parts of the administration of title XVIII for which the Secretary is responsible, and

(iii) carrying out the functions of the Social Security Administration, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of subparagraph (A)) *and the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee*.

The Managing Trustee shall transfer any such amounts in accordance with any certification so made.

(D) The determinations required under subclauses (IV) and (V) of subparagraph (B)(i) shall be made in accordance with the cost allocation methodology in existence on the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, until such time as the methodology for making the determinations required under such subclauses is revised by agreement of the Commissioner and the Secretary, except that the determination of the amounts to be borne by the general fund of the Treasury with respect to expenditures incurred in carrying out the functions of the Social Security Administration specified in section 232 *and the functions of the Social Security Administration in connection with the withholding of taxes from benefits as described in section 207(c)* shall be made pursuant to the applicable method prescribed under paragraph (4).

* * * * * * *

(4) The Commissioner of Social Security shall utilize the method prescribed pursuant to this paragraph, as in effect immediately before the date of the enactment of the Social Security Independence and Program Improvements Act of 1994, for determining the costs which should be borne by the general fund of the Treasury of carrying out the functions of the Commissioner, specified in section 232, which relate to the administration of provisions of the Internal Revenue Code of 1986 (other than those referred to in clause (i) of the first sentence of paragraph (1)(A)). *The Board of Trustees of*

such Trust Funds shall prescribe before January 1, 1998, the method of determining the costs which should be borne by the general fund in the Treasury of carrying out the functions of the Social Security Administration in connection with the withholding of taxes from benefits, as described in section 207(c), pursuant to requests by persons entitled to such benefits or such persons' representative payee. If at any time or times thereafter the Boards of Trustees of such Trust Funds consider such action advisable, they may modify the method of determining such costs.

* * * * * * *

OLD-AGE AND SURVIVORS INSURANCE BENEFIT PAYMENTS

Old-Age Insurance Benefits

SEC. 202. (a) * * *

* * * * * * *

Limitation on Payments to Prisoners and Certain Other Inmates of Publicly Funded Institutions

(x)(1)(A) Notwithstanding any other provision of this title, no monthly benefits shall be paid under this section or under section 223 to any individual for any month [during] *throughout* which such individual—

(i) is confined in a jail, prison, or other penal institution or correctional facility pursuant to his conviction of [an offense punishable by imprisonment for more than 1 year (regardless of the actual sentence imposed)] *a criminal offense*, [or]

(ii) is confined by court order in an institution at public expense in connection with—

(I) a verdict or finding that the individual is guilty but insane, with respect to [an offense punishable by imprisonment for more than 1 year] *a criminal offense*,

(II) a verdict or finding that the individual is not guilty of such an offense by reason of insanity,

(III) a finding that such individual is incompetent to stand trial under an allegation of such an offense, or

(IV) a similar verdict or finding with respect to such an offense based on similar factors (such as a mental disease, a mental defect, or mental incompetence)[.], *or*

(iii) immediately upon completion of confinement as described in clause (i) pursuant to conviction of a criminal offense an element of which is sexual activity, is confined by court order in an institution at public expense pursuant to a finding that the individual is a sexually dangerous person or a sexual predator or a similar finding.

* * * * * * *

(3)*(A)* Notwithstanding the provisions of section 552a of title 5, United States Code, or any other provision of Federal or State law, any agency of the United States Government or of any State (or political subdivision thereof) shall make available to the Commissioner of Social Security, upon written request, the name and social security account number of any individual who is confined as de-

scribed in paragraph (1) if the confinement is under the jurisdiction of such agency and the Commissioner of Social Security requires such information to carry out the provisions of this section.

(B)(i) The Commissioner shall enter into an agreement, with any interested State or local institution comprising a jail, prison, penal institution, correctional facility, or other institution a 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 and in a manner specified by the Commissioner, the names, social security account numbers, dates of birth, confinement commencement dates, and, to the extent available to the institution, 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 the institution, with respect to information described in subclause (I) concerning each individual who is confined therein as described in paragraph (1)(A), who receives a benefit under this title for the month preceding the first month of such confinement, and whose benefit under this title is determined by the Commissioner to be not payable by reason of confinement based on the information provided by the institution, $400 (subject to reduction under clause (ii)) if the institution furnishes the information to the Commissioner within 30 days after the date such individual's confinement in such institution begins, or $200 (subject to reduction under clause (ii)) if the institution furnishes the information after 30 days after such date but within 90 days after such date.

(ii) 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 1611(e)(1)(I).

(iii) There shall be transferred from the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund, as appropriate, such sums as may be necessary to enable the Commissioner to make payments to institutions required by clause (i)(II). Sums so transferred shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 and excluded from budget totals in accordance with section 13301 of the Budget Enforcement Act of 1990.

(iv) The Commissioner is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements entered into under clause (i) to any agency administering a Federal or federally-assisted cash, food, or medical assistance program for eligibility purposes.

EVIDENCE, PROCEDURE, AND CERTIFICATION FOR PAYMENT

SEC. 205. (a) * * *

* * * * * * *

Representative Payees

(j)(1)(A) * * *

* * * * * * *

(4)(A)(i) A qualified organization may collect from an individual a monthly fee for expenses (including overhead) incurred by such organization in providing services performed as such individual's representative payee pursuant to this subsection if such fee does not exceed the lesser of—

(I) * * *

* * * * * * *

(B) For purposes of this paragraph, the term "qualified organization" means any State or local government agency whose mission is to carry out income maintenance, social service, or health care-related activities, any State or local government agency with fiduciary responsibilities, or any community-based nonprofit social service agency which is bonded or licensed in each State in which it serves as a representative payee, if such agency, in accordance with any applicable regulations of the Commissioner of Social Security—

(i) regularly provides services as the representative payee, pursuant to this subsection or section 1631(a)(2), concurrently to 5 or more individuals, *and*

* * * * * * *

ASSIGNMENT

SEC. 207. (a) * * *

* * * * * * *

(c) Nothing in this section shall be construed to prohibit withholding taxes from any benefit under this title, if such withholding is done pursuant to a request made in accordance with section 3402(p)(1) of the Internal Revenue Code of 1986 by the person entitled to such benefit or such persons' representative payee.

* * * * * * *

COMPUTATION OF PRIMARY INSURANCE AMOUNT

SEC. 215. For the purposes of this title—

Primary Insurance Amount

(a) * * *

* * * * * * *

Cost-of-Living Increases in Benefits

(i)(1) For purposes of this subsection—

(A) * * *

* * * * * * *

(2)(A)(i) * * *

* * * * * * *

(D) If the Commissioner of Social Security determines that a base quarter in a calendar year is also a cost-of-living computation quarter, he shall publish in the Federal Register within 45 days after the close of such quarter a determination that a benefit increase is resultantly required and the percentage thereof. [He] *The Commissioner of Social Security* shall also publish in the Federal Register at that time (i) a revision of the range of the primary insurance amounts which are possible after the application of this subsection based on the dollar amount specified in subparagraph (C)(i) of subsection (a)(1) (with such revised primary insurance amounts constituting the increased amounts determined for purposes of such subparagraph (C)(i) under this subsection), or specified in subsection (a)(3) as in effect prior to 1979, and (ii) a revision of the range of maximum family benefits which correspond to such primary insurance amounts (with such maximum benefits being effective notwithstanding section 203(a) except for paragraph (3)(B) thereof (or paragraph (2) thereof as in effect prior to 1979)). Notwithstanding the preceding sentence, such revision of maximum family benefits shall be subject to paragraph (6) of section 203(a) (as added by section 101(a)(3) of the Social Security Disability Amendments of 1980).

* * * * * * *

TITLE IV—GRANTS TO STATES FOR AID AND SERVICES TO NEEDY FAMILIES WITH CHILDREN AND FOR CHILD-WELFARE SERVICES

* * * * * * *

PART A—BLOCK GRANTS TO STATES FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

* * * * * * *

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] *27-month period ending with the close of the 1st quarter of* the fiscal year, has submitted to the Secretary a plan that the Secretary has found includes the following:

(1) OUTLINE OF FAMILY ASSISTANCE PROGRAM.—

(A) GENERAL PROVISIONS.—A written document that outlines how the State intends to do the following:

(i) * * *

(ii) 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*, consistent with section 407(e)(2)*.

* * * * * * *

(v) Establish goals and take action to prevent and reduce the incidence of out-of-wedlock pregnancies, with special emphasis on teenage pregnancies, and establish numerical goals for reducing the illegitimacy ratio of the State (as defined in section [403(a)(2)(B)] *403(a)(2)(C)(iii)*) for calendar years 1996 through 2005.

(b) PLAN AMENDMENTS.—Within 30 days after a State amends a plan submitted pursuant to subsection (a), the State shall notify the Secretary of the amendment.

[(b)] *(c)* PUBLIC AVAILABILITY OF STATE PLAN SUMMARY.—The State shall make available to the public a summary of any plan *or plan amendment* submitted by the State under this section.

SEC. 403. GRANTS TO STATES.

(a) GRANTS.—

(1) * * *

(2) BONUS TO REWARD DECREASE IN ILLEGITIMACY *RATIO*.—

(A) IN GENERAL.—Each eligible State shall be entitled to receive from the Secretary a grant for each bonus year [for which the State demonstrates a net decrease in out-of-wedlock births.].

[(B) AMOUNT OF GRANT.—

[(i) IF 5 ELIGIBLE STATES.—If there are 5 eligible States for a bonus year, the amount of the grant shall be $20,000,000.

[(ii) IF FEWER THAN 5 ELIGIBLE STATES.—If there are fewer than 5 eligible States for a bonus year, the amount of the grant shall be $25,000,000.]

(B) AMOUNT OF GRANT.—

(i) IN GENERAL.—If, for a bonus year, none of the eligible States is Guam, the Virgin Islands, or American Samoa, then the amount of the grant shall be—

(I) $20,000,000 if there are 5 eligible States; or

(II) $25,000,000 if there are fewer than 5 eligible States.

(ii) AMOUNT IF CERTAIN TERRITORIES ARE ELIGIBLE.—If, for a bonus year, Guam, the Virgin Islands, or American Samoa is an eligible State, then the amount of the grant shall be—

(I) in the case of such a territory, 25 percent of the mandatory ceiling amount (as defined in section 1108(c)(4)) with respect to the territory; and

(II) in the case of a State that is not such a territory—

(aa) if there are 5 eligible States other than such territories, $20,000,000, minus 1/5 of the total amount of the grants payable under this paragraph to such territories for the bonus year; or

(bb) if there are fewer than 5 such eligible States, $25,000,000, or such lesser amount as may be necessary to ensure that the total amount of grants payable under this paragraph for the bonus year does not exceed $100,000,000.

(C) DEFINITIONS.—As used in this paragraph:

(i) ELIGIBLE STATE.—

(I) IN GENERAL.—The term "eligible State" means a State that the Secretary determines meets the following requirements:

(aa) The State demonstrates that the [number of out-of-wedlock births that occurred in the State during] *illegitimacy ratio of the State for* the most recent 2-year period for which such information is available decreased as compared to the [number of such births that occurred during] *illegitimacy ratio of the State for* the previous 2-year period, and the magnitude of the decrease for the State for the period is not exceeded by the magnitude of the corresponding decrease for 5 or more other States for the period. *In the case of a State that is not a territory specified in subparagraph (B), the comparative magnitude of the decrease for the State shall be determined without regard to the magnitude of the corresponding decrease for any such territory.*

(bb) The rate of induced pregnancy terminations in the State for [the fiscal year] *the calendar year for which the most recent data are available* is less than the rate of induced pregnancy terminations in the State for [fiscal year 1995] *calendar year 1995*.

(II) DISREGARD OF CHANGES IN DATA DUE TO CHANGED REPORTING METHODS.—In making the determination required by subclause (I), the Secretary shall disregard—

(aa) any difference between the [number of out-of-wedlock births that occurred in] *illegitimacy ratio of* a State for a [fiscal] *calendar* year and the [number of out-of-wedlock births that occurred in] *illegitimacy ratio of* a State for [fiscal] *calendar* year 1995 which is attributable to a change in State methods of reporting data used to [calculate the number of out-of-wedlock births] *calculate the illegitimacy ratio*; and

(bb) any difference between the rate of induced pregnancy terminations in a State for a [fiscal] *calendar* year and such rate for [fiscal] *calendar* year 1995 which is attributable to a change in State methods of reporting data used to calculate such rate.

(ii) BONUS YEAR.—The term "bonus year" means [fiscal] *calendar* years 1999, 2000, 2001, and 2002.

(iii) ILLEGITIMACY RATIO.—The term "illegitimacy ratio" means, with respect to a State and a period—

(I) the number of out-of-wedlock births to mothers residing in the State that occurred during the period; divided by

(II) the number of births to mothers residing in the State that occurred during the period.

(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated for fiscal years 1999 through 2002, such sums as are necessary for grants under this paragraph.

(3) SUPPLEMENTAL GRANT FOR POPULATION INCREASES IN CERTAIN STATES.—

(A) * * *

* * * * * * *

(C) QUALIFYING STATE.—

(i) * * *

(ii) STATE MUST QUALIFY IN FISCAL YEAR [1997] *1998*.—Notwithstanding clause (i), a State shall not be a qualifying State for any fiscal year after 1998 by reason of clause (i) if the State is not a qualifying State for fiscal year 1998 by reason of clause (i).

(b) CONTINGENCY FUND.—

(1) * * *

* * * * * * *

[(4) ANNUAL RECONCILIATION.—Notwithstanding paragraph (3), 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 (3) during the fiscal year exceeds—

[(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—

[(i) if the Secretary makes a payment to the State under section 418(a)(2) in the fiscal year—

[(I) the expenditures under the State program funded under this part for the fiscal year, excluding any amounts made available by the Federal Government (except amounts paid to the State under paragraph (3) during the fiscal year that have been expended by the State) and any amounts expended by the State during the fiscal year for child care; exceeds

[(II) historic State expenditures (as defined in section 409(a)(7)(B)(iii)), excluding the expenditures by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994; or

[(ii) if the Secretary does not make a payment to the State under section 418(a)(2) in the fiscal year—

[(I) the sum of the expenditures under the State program funded under this part for the fiscal year (excluding any amounts made available by the Federal Government, except amounts paid to the

State under paragraph (3) during the fiscal year that have been expended by the State), and any additional qualified State expenditures, as defined in section 409(a)(7)(B)(i), for child care assistance made under the Child Care and Development Block Grant Act of 1990; exceeds

[(II) historic State expenditures (as defined in section 409(a)(7)(B)(iii)); multiplied by

[(B) 1/12 times the number of months during the fiscal year for which the Secretary makes a payment to the State under this subsection.]

[(5)] *(4)* ELIGIBLE MONTH.—As used in paragraph (3)(A), the term "eligible month" means, with respect to a State, a month in the 2-month period that begins with any month for which the State is a needy State.

[(6)] *(5)* NEEDY STATE.—For purposes of paragraph [(5)] *(4)*, a State is a needy State for a month if—

(A) * * *

* * * * * * *

(6) ANNUAL RECONCILIATION.—

(A) IN GENERAL.—Notwithstanding paragraph (3), if the Secretary makes a payment to a State under this subsection in a fiscal year, then the State shall remit to the Secretary, within 1 year after the end of the first subsequent period of 3 consecutive months for which the State is not a needy State, an amount equal to the amount (if any) by which—

(i) the total amount paid to the State under paragraph (3) of this subsection in the fiscal year; exceeds

(ii) the product of—

(I) the Federal medical assistance percentage for the State (as defined in section 1905(b), as such section was in effect on September 30, 1995);

(II) the State's reimbursable expenditures for the fiscal year; and

(III) 1/12 times the number of months during the fiscal year for which the Secretary made a payment to the State under such paragraph (3).

(B) DEFINITIONS.—As used in subparagraph (A):

(i) REIMBURSABLE EXPENDITURES.—The term "reimbursable expenditures" means, with respect to a State and a fiscal year, the amount (if any) by which—

(I) countable State expenditures for the fiscal year; exceeds

(II) historic State expenditures (as defined in section 409(a)(7)(B)(iii)), excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994.

(ii) COUNTABLE STATE EXPENDITURES.—The term "countable expenditures" means, with respect to a State and a fiscal year—

(I) the qualified State expenditures (as defined in section 409(a)(7)(B)(i) (other than the expenditures described in subclause (I)(bb) of such section))

under the State program funded under this part for the fiscal year; plus

(II) any amount paid to the State under paragraph (3) during the fiscal year that is expended by the State under the State program funded under this part.

[(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.]

(7) STATE DEFINED.—As used in this subsection, the term "State" means each of the 50 States and the District of Columbia.

(8) ANNUAL REPORTS.—The Secretary shall annually report to the 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) * * *

(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*, or (at the option of the State) August 21, 1996*.

* * * * * * *

SEC. 407. MANDATORY WORK REQUIREMENTS.

(a) * * *

(b) CALCULATION OF PARTICIPATION RATES.—

(1) * * *

(2) 2-PARENT FAMILIES.—

(A) * * *

* * * * * * *

(C) FAMILY WITH A DISABLED PARENT NOT TREATED AS A 2-PARENT FAMILY.—A family that includes a disabled parent shall not be considered a 2-parent family for purposes of subsections (a) and (b) of this section.

(3) PRO RATA REDUCTION OF PARTICIPATION RATE DUE TO CASELOAD REDUCTIONS NOT REQUIRED BY FEDERAL LAW *AND NOT RESULTING FROM CHANGES IN STATE ELIGIBILITY CRITERIA*.—

(A) * * *

* * * * * * *

(4) STATE OPTION TO INCLUDE INDIVIDUALS RECEIVING ASSISTANCE UNDER A TRIBAL FAMILY ASSISTANCE PLAN *OR TRIBAL WORK PROGRAM*.—For purposes of paragraphs (1)(B) and (2)(B), a State may, at its option, include families in the State that are receiving assistance under a tribal family assistance plan approved under section 412 *or under a tribal work program to which funds are provided under this part*.

* * * * * * *

(c) ENGAGED IN WORK.—

(1) GENERAL RULES.—

(A) * * *

(B) 2-PARENT FAMILIES.—For purposes of subsection (b)(2)(B), an individual is engaged in work for a month in a fiscal year if—

(i) the individual [is making progress] *and the other parent in the family are participating* in work activities for *a total of* at least 35 hours per week during the month, not fewer than 30 hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), (6), (7), (8), or (12) of subsection (d), subject to this subsection; and

(ii) if the family of the individual receives federally-funded child care assistance and an adult in the family is not disabled or caring for a severely disabled child, the [individual's spouse is making progress] *individual and the other parent in the family are participating* in work activities *for a total of at least 55 hours per week* during the month, not fewer than [20] *50* hours per week of which are attributable to an activity described in paragraph (1), (2), (3), (4), (5), or (7) of subsection (d).

(2) LIMITATIONS AND SPECIAL RULES.—

(A) NUMBER OF WEEKS FOR WHICH JOB SEARCH COUNTS AS WORK.—

(i) LIMITATION.—Notwithstanding paragraph (1) of this subsection, an individual shall not be considered to be engaged in work by virtue of participation in an activity described in subsection (d)(6) of a State program funded under this part, after the individual has participated in such an activity for 6 weeks (or, if the unemployment rate of the State is at least 50 percent greater than the unemployment rate of the United States *or the State is a needy State (within the meaning of section 403(b)(6))*, 12 weeks), or if the participation is for a week that immediately follows 4 consecutive weeks of such participation.

(B) SINGLE PARENT *OR RELATIVE* WITH CHILD UNDER AGE 6 DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS IF PARENT *OR RELATIVE* IS ENGAGED IN WORK FOR 20 HOURS PER WEEK.—For purposes of determining monthly participation rates under subsection (b)(1)(B)(i), a recipient [in a 1-parent family who is the parent] *who is the only parent or caretaker relative in the family* of a child who has not attained 6 years of age is deemed to be engaged in work for a month if the recipient is engaged in work for an average of at least 20 hours per week during the month.

(C) [TEEN HEAD OF HOUSEHOLD] *SINGLE TEEN HEAD OF HOUSEHOLD OR MARRIED TEEN* WHO MAINTAINS SATISFACTORY SCHOOL ATTENDANCE DEEMED TO BE MEETING WORK PARTICIPATION REQUIREMENTS.—For purposes of determining monthly participation rates under sub-section (b)(1)(B)(i), a recipient who is [a single] *married or a* head

of household and has not attained 20 years of age is deemed, subject to subparagraph (D) of this paragraph, to be engaged in work for a month in a fiscal year if the recipient—

(i) maintains satisfactory attendance at secondary school or the equivalent during the month; or

(ii) participates in education directly related to employment for [at least the minimum average number of hours per week specified in the table set forth in paragraph (1)(A) of this subsection] *an average of at least 20 hours per week during the month*.

* * * * * * *

(e) PENALTIES AGAINST INDIVIDUALS.—

(1) * * *

(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 individual to [work] *engage in work required in accordance with this section* if the individual is a single custodial parent caring for a child who has not attained 6 years of age, and the individual proves that the individual has a demonstrated inability (as determined by the State) to obtain needed child care, for 1 or more of the following reasons:

(A) Unavailability of appropriate child care within a reasonable distance from the individual's home or work site.

(B) Unavailability or unsuitability of informal child care by a relative or under other arrangements.

(C) Unavailability of appropriate and affordable formal child care arrangements.

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—

[(A) unless the family includes—

[(i) a minor child who resides with a custodial parent or other adult caretaker relative of the child; or

[(ii) a pregnant individual; and

[(B) if the family 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 (unless an exception described in subparagraph (B), (C), or (D) of paragraph (7) applies).]

(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 minor child who resides with the family (consistent with paragraph (10)) or a pregnant individual.

* * * * * * *

(3) NO ASSISTANCE FOR FAMILIES NOT ASSIGNING CERTAIN SUPPORT RIGHTS TO THE STATE.—

(A) IN GENERAL.—A State to which a grant is made under section 403 shall require, as a condition of providing assistance to a family under the State program funded under this part, that a member of the family assign to the State any rights the family member may have (on behalf of the family member or of any other person for whom the family member has applied for or is receiving such assistance) to support from any other person, not exceeding the total amount of assistance so provided to the family, which accrue (or have accrued) before the date the family [leaves] *ceases to receive assistance under* the program, which assignment, on and after [the date the family leaves the program] *such date*, 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)*(I)* September 30, 2000, if the assignment is executed on or after October 1, 1997, and before October 1, 2000; or

[(ii)] *(II)* the date the family [leaves] *ceases to receive assistance under* the program, if the assignment is executed on or after October 1, 2000[.]*; or*

(ii) if the State elects to distribute collections under section 457(a)(6), the date the family ceases to receive assistance under the program, if the assignment is executed on or after October 1, 1998.

(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] *ceases to receive assistance under* the program.

* * * * * * *

(5) NO ASSISTANCE FOR TEENAGE PARENTS NOT LIVING IN ADULT-SUPERVISED SETTINGS.—

(A) IN GENERAL.—

(i) REQUIREMENT.—Except as provided in subparagraph (B), a State to which a grant is made under section 403 shall not use any part of the grant to provide assistance to an individual described in clause (ii) of this subparagraph if the individual and the minor child referred to in clause (ii)(II) do not reside in a place of residence maintained by a parent, legal guardian, or other adult relative of the individual as such parent's, guardian's, or adult relative's own home.

(ii) INDIVIDUAL [DESCRIBED.— For] *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.

* * * * * * *

(C) HARDSHIP EXCEPTION.—

(i) * * *

(ii) LIMITATION.—[The number] *The average monthly 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 *during the fiscal year or the immediately preceding fiscal year (but not both), as the State may elect*.

[(D) DISREGARD OF MONTHS OF ASSISTANCE RECEIVED BY ADULT WHILE LIVING ON AN INDIAN RESERVATION OR IN AN ALASKAN NATIVE VILLAGE WITH 50 PERCENT UNEMPLOYMENT.—In determining the number of months for which an adult has received assistance under the State program funded under this part, the State shall disregard any month during which the adult lived on an Indian reservation or in an Alaskan Native village if, during the month—

[(i) at least 1,000 individuals were living on the reservation or in the village ; and

[(ii) at least 50 percent of the adults living on the reservation or in the village were unemployed.]

(D) DISREGARD OF MONTHS OF ASSISTANCE RECEIVED BY ADULT WHILE LIVING IN INDIAN COUNTRY OR AN ALASKAN NATIVE VILLAGE WITH 50 PERCENT UNEMPLOYMENT.—

(i) IN GENERAL.—In determining the number of months for which an adult has received assistance under a State or tribal program funded under this part, the State or tribe shall disregard any month during which the adult lived in Indian country or an Alaskan Native village if the most reliable data available with respect to the month (or a period including the month) indicate that at least 50 percent of the adults living in Indian country or in the village were not employed.

(ii) INDIAN COUNTRY DEFINED.—As used in clause (i), the term "Indian country" has the meaning given such term in section 1151 of title 18, United States Code.

* * * * * * *

[(d) ALIENS.—For special rules relating to the treatment of aliens, see section 402 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.]

(d) SPECIAL RULES RELATING TO TREATMENT OF CERTAIN ALIENS.—For special rules relating to the treatment of certain aliens, see title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(e) SPECIAL RULES RELATING TO THE TREATMENT OF NON-213A ALIENS.—The following rules shall apply if a State elects to take the income or resources of any sponsor of a non-213A alien into account in determining whether the alien is eligible for assistance under the

State program funded under this part, or in determining the amount or types of such assistance to be provided to the alien:

(1) DEEMING OF SPONSOR'S INCOME AND RESOURCES.—For a period of 3 years after a non-213A alien enters the United States:

(A) INCOME DEEMING RULE.—The income of any sponsor of the alien and of any spouse of the sponsor is deemed to be income of the alien, to the extent that the total amount of the income exceeds the sum of—

(i) the lesser of—

(I) 20 percent of the total of any amounts received by the sponsor or any such spouse in the month as wages or salary or as net earnings from self-employment, plus the full amount of any costs incurred by the sponsor and any such spouse in producing self-employment income in such month; or

(II) $175;

(ii) the cash needs standard established by the State for purposes of determining eligibility for assistance under the State program funded under this part for a family of the same size and composition as the sponsor and any other individuals living in the same household as the sponsor who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability but whose needs are not taken into account in determining whether the sponsor's family has met the cash needs standard;

(iii) any amounts paid by the sponsor or any such spouse to individuals not living in the household who are claimed by the sponsor as dependents for purposes of determining the sponsor's Federal personal income tax liability; and

(iv) any payments of alimony or child support with respect to individuals not living in the household.

(B) RESOURCE DEEMING RULE.—The resources of a sponsor of the alien and of any spouse of the sponsor are deemed to be resources of the alien to the extent that the aggregate value of the resources exceeds $1,500.

(C) SPONSORS OF MULTIPLE NON-213A ALIENS.—If a person is a sponsor of 2 or more non-213A aliens who are living in the same home, the income and resources of the sponsor and any spouse of the sponsor that would be deemed income and resources of any such alien under subparagraph (A) shall be divided into a number of equal shares equal to the number of such aliens, and the State shall deem the income and resources of each such alien to include 1 such share.

(2) INELIGIBILITY OF NON-213A ALIENS SPONSORED BY AGENCIES; EXCEPTION.—A non-213A alien whose sponsor is or was a public or private agency shall be ineligible for assistance under a State program funded under this part, during a period of 3 years after the alien enters the United States, unless the State agency administering the program determines that the sponsor

either no longer exists or has become unable to meet the alien's needs.

(3) INFORMATION PROVISIONS.—

(A) DUTIES OF NON-213A ALIENS.—A non-213A alien, as a condition of eligibility for assistance under a State program funded under this part during the period of 3 years after the alien enters the United States, shall be required to provide to the State agency administering the program—

(i) such information and documentation with respect to the alien's sponsor as may be necessary in order for the State agency to make any determination required under this subsection, and to obtain any cooperation from the sponsor necessary for any such determination; and

(ii) such information and documentation as the State agency may request and which the alien or the alien's sponsor provided in support of the alien's immigration application.

(B) DUTIES OF FEDERAL AGENCIES.—The Secretary shall enter into agreements with the Secretary of State and the Attorney General under which any information available to them and required in order to make any determination under this subsection will be provided by them to the Secretary (who may, in turn, make the information available, upon request, to a concerned State agency).

(4) NON-213A ALIEN DEFINED.—An alien is a non-213A alien for purposes of this subsection if the affidavit of support or similar agreement with respect to the alien that was executed by the sponsor of the alien's entry into the United States was executed other than pursuant to section 213A of the Immigration and Nationality Act.

(5) INAPPLICABILITY TO ALIEN MINOR SPONSORED BY A PARENT.—This subsection shall not apply to an alien who is a minor child if the sponsor of the alien or any spouse of the sponsor is a parent of the alien.

(6) INAPPLICABILITY TO CERTAIN CATEGORIES OF ALIENS.—This subsection shall not apply to an alien who is—

(A) admitted to the United States as a refugee under section 207 of the Immigration and Nationality Act;

(B) paroled into the United States under section 212(d)(5) of such Act for a period of at least 1 year; or

(C) granted political asylum by the Attorney General under section 208 of such Act.

(f) STATE 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 not lawfully present in the United States.

SEC. 409. PENALTIES.

(a) IN GENERAL.—Subject to this section:

(1) * * *

(2) FAILURE TO SUBMIT REQUIRED REPORT.—

(A) IN GENERAL.—If the Secretary determines that a State has not, within [1 month] *45 days* 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.

* * * * * * *

(7) FAILURE OF ANY STATE TO MAINTAIN CERTAIN LEVEL OF HISTORIC EFFORT.—

(A) * * *

(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*, including any amount collected by the State as support pursuant to a plan approved under part D, on behalf of a family receiving assistance under the State program funded under this part, that is distributed to the family under section 457(a)(1)(B) and disregarded in determining the eligibility of the family for, and the amount of, such assistance*.

* * * * * * *

(III) EXCLUSION OF AMOUNTS EXPENDED TO REPLACE PENALTY GRANT REDUCTIONS.—Such term does not include any amount expended in order to comply with paragraph (12).

[(III)] *(IV)* 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 that would be eligible for such assistance but for the application of section 408(a)(7) of this [Act or section 402] *Act, and families of aliens lawfully present in the United States that would be eligible for such assistance but for the application of title IV* of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

(ii) APPLICABLE PERCENTAGE.—The term "applicable percentage" means for fiscal years 1997 through 2002, 80 percent (or, if the State meets the requirements of section 407(a) for the fiscal year, 75 percent) [reduced (if appropriate) in accordance with subparagraph (C)(ii)].

* * * * * * *

(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) any State funds expended for the medicaid program under title XIX;

[(III) any State funds which are used to match Federal funds; or]

[(IV)] *(III)* any State funds which are expended as a condition of receiving Federal funds [under Federal programs] other than under this part.

Notwithstanding subclause [(IV)] *(III)* of the preceding sentence, such term includes expenditures by a State for child care in a fiscal year to the extent that the total amount of such expenditures does not exceed [an amount equal to] the amount of State expenditures in fiscal year 1994 or 1995 (whichever is greater) [that equal] *that equals* the non-Federal share for the programs described in section 418(a)(1)(A).

(v) SOURCE OF DATA.—In determining expenditures by a State for fiscal years 1994 and 1995, the Secretary shall use information which was reported by the State on ACF Form 231 or (in the case of expenditures under part F) ACF Form 331, available as of the dates specified in clauses (ii) and (iii) of section 403(a)(1)(D).

[(8) 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) 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.]

(8) NONCOMPLIANCE OF STATE CHILD SUPPORT ENFORCEMENT PROGRAM WITH REQUIREMENTS OF PART D.—

(A) IN GENERAL.—If the Secretary finds, with respect to a State's program under part D, in a fiscal year beginning on or after October 1, 1997—

(i)(I) on the basis of data submitted by a State pursuant to section 454(15)(B), or on the basis of the results of a review conducted under section 452(a)(4), that the State program failed to achieve the paternity establishment percentages (as defined in section 452(g)(2)), or to meet other performance measures that may be established by the Secretary;

(II) on the basis of the results of an audit or audits conducted under section 452(a)(4)(C)(i) that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; or

(III) on the basis of the results of an audit or audits conducted under section 452(a)(4)(C) that a State failed to substantially comply with 1 or more of the requirements of part D; and

(ii) that, with respect to the succeeding fiscal year—

(I) the State failed to take sufficient corrective action to achieve the appropriate performance levels or compliance as described in subparagraph (A)(i); or

(II) the data submitted by the State pursuant to section 454(15)(B) is incomplete or unreliable;

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program has achieved the paternity establishment percentages or other performance measures as described in subparagraph (A)(i)(I), or is in substantial compliance with 1 or more of the requirements of part D as described in subparagraph (A)(i)(III), as appropriate, shall be reduced by the percentage specified in subparagraph (B).

(B) AMOUNT OF REDUCTIONS.—The reductions required under subparagraph (A) shall be—

(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 finding made pursuant to subparagraph (A); or

(iii) not less than 3 nor more than 5 percent, if the finding is the 3rd or a subsequent consecutive such finding.

(C) DISREGARD OF NONCOMPLIANCE WHICH IS OF A TECHNICAL NATURE.—For purposes of this section and section 452(a)(4), a State determined as a result of an audit—

(i) to have failed to have substantially complied with 1 or more of the requirements of part D shall be determined to have achieved substantial compliance only if the Secretary determines that the extent of the noncompliance is of a technical nature which does not ad-

versely affect the performance of the State's program under part D; or

(ii) to have submitted incomplete or unreliable data pursuant to section 454(15)(B) shall be determined to have submitted adequate data only if the Secretary determines that the extent of the incompleteness or unreliability of the data is of a technical nature which does not adversely affect the determination of the level of the State's paternity establishment percentages (as defined under section 452(g)(2)) or other performance measures that may be established by the Secretary.

(9) FAILURE TO COMPLY WITH 5-YEAR LIMIT ON ASSISTANCE.—If the Secretary determines that a State has not complied with section [408(a)(1)(B)] *408(a)(7)* 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 5 percent of the State family assistance grant.

(10) FAILURE OF STATE RECEIVING AMOUNTS FROM CONTINGENCY FUND TO MAINTAIN 100 PERCENT OF HISTORIC EFFORT.—If, at the end of any fiscal year during which amounts from the Contingency Fund for State Welfare Programs have been paid to a State, the Secretary finds that [the expenditures under the State program funded under this part for the fiscal year (excluding any amounts made available by the Federal Government)] *the qualified State expenditures (as defined in paragraph (7)(B)(i) (other than the expenditures described in subclause (I)(bb) of that paragraph)) 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 (7)(B)(iii) of this subsection), *excluding any amount expended by the State for child care under subsection (g) or (i) of section 402 (as in effect during fiscal year 1994) for fiscal year 1994,* the Secretary shall reduce the grant payable to the State under section 403(a)(1) for the immediately succeeding fiscal year by the total of the amounts so paid to the State *that the State has not remitted under section 403(b)(6)*.

* * * * * * *

(12) [FAILURE] *REQUIREMENT* TO EXPEND ADDITIONAL STATE FUNDS TO REPLACE GRANT [REDUCTIONS] *REDUCTIONS; PENALTY FOR FAILURE TO DO SO*.—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*, and if the State fails to do so, the Secretary may reduce the grant payable to the State under section 403(a)(1) for the fiscal year that follows such succeeding fiscal year by an amount equal to not more than 2 percent of the State family assistance grant*.

(b) REASONABLE CAUSE EXCEPTION.—

(1) * * *

(2) EXCEPTION.—Paragraph (1) of this subsection shall not apply to any penalty under paragraph [(7) or (8)] *(6), (7), (8), (10), or (12)* of subsection (a).

(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 *or discontinue, as appropriate,* 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 sub-paragraph (A) with respect to a violation, the State may submit to the Federal Government a corrective compliance plan to correct *or discontinue, as appropriate,* the violation.

* * * * * * *

(2) EFFECT OF CORRECTING *OR DISCONTINUING* 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 *or discontinues, as appropriate* the violation pursuant to the plan.

(3) EFFECT OF FAILING TO CORRECT *OR DISCONTINUE* 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 *or discontinue, as appropriate,* the violation pursuant to a State corrective compliance plan accepted by the Secretary.

[(4) INAPPLICABILITY TO FAILURE TO TIMELY REPAY 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).**]**

(4) INAPPLICABILITY TO CERTAIN PENALTIES.—This subsection shall not apply to the imposition of a penalty against a State under paragraph (6), (7), (8), (10), or (12) of subsection (a).

* * * * * * *

SEC. 411. DATA COLLECTION AND REPORTING.

(a) QUARTERLY REPORTS BY STATES.—

(1) GENERAL REPORTING REQUIREMENT.—

(A) 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.**]**

(ii) Whether a child receiving such assistance or an adult in the family is receiving—

(I) disability insurance benefits under section 223;

(II) benefits based on disability under section 202;

(III) aid under a State plan approved under title XIV (as in effect without regard to the amendment made by section 301 of the Social Security Amendments of 1972);

(IV) aid or assistance under a State plan approved under title XVI (as in effect without regard to such amendment) by reason of being permanently and totally disabled; or

(V) supplemental security income benefits under title XVI (as in effect pursuant to such amendment) by reason of disability.

(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] *head of* 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] *level* of each adult in the family.

(viii) The race and educational [status] *level* of each child in the family.

* * * * * * *

(xvii) With respect to each individual in the family who has not attained 20 years of age, whether the individual is a parent of a child in the family.

(B) USE OF [ESTIMATES] *SAMPLES*.—

(i) AUTHORITY.—A State may comply with subparagraph (A) by submitting [an estimate which is obtained] *disaggregated case record information on a sample of families selected* through the use of scientifically acceptable sampling methods approved by the Secretary.

* * * * * * *

(6) REPORT ON FAMILIES RECEIVING ASSISTANCE.—The report required by paragraph (1) for a fiscal quarter shall include for each month in the quarter the number of families and individuals receiving assistance under the State program funded under this part (including the number of 2-parent and 1-parent families), and the total dollar value of such assistance received by all families.

[(6)] *(7)* 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.

* * * * * * *

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, 2000, 2001, and 2002, 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), *which shall be reduced for a fiscal year, on a pro rata basis for each quarter, in the case of a tribal family assistance plan approved during a fiscal year for which the plan is to be in effect,* 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.

* * * * * * *

(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 1997, 1998, 1999, 2000, 2001, and 2002**]** *For each of fiscal years 1997, 1998, 1999, 2000, 2001, and 2002, the Secretary shall pay to each eligible Indian tribe that proposes to operate a program described in subparagraph (C)* 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).

* * * * * * *

(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**]** *such population and such service area or areas as the tribe specifies*.

(D) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated **[**$7,638,474**]** *$7,633,287* for each fiscal year specified in subparagraph (A) for grants under subparagraph (A).

* * * * * * *

(f) ELIGIBILITY FOR FEDERAL LOANS.—Section 406 shall apply to an Indian tribe with an approved tribal assistance plan in the same manner as such section applies to a State, except that section 406(c) shall be applied by substituting "section 412(a)" for "section 403(a)".

[(f)**]** *(g)* PENALTIES.—

(1) Subsections (a)(1), (a)(6), **[**and (b)**]** *(b), and (c)* 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.

(2) Section 409(a)(3) shall apply to an Indian tribe with an approved tribal assistance plan by substituting "meet minimum work participation requirements established under section 412(c)" for "comply with section 407(a)".

[(g)**]** *(h)* DATA COLLECTION AND REPORTING.—Section 411 shall apply to an Indian tribe with an approved tribal family assistance plan.

[(h)] *(i)* 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*, directly or through grants, contracts, or interagency agreements,* shall conduct research on the benefits, effects, and costs of operating different State programs funded under this part, including time limits relating to eligibility for assistance. The research shall include studies on the effects of different programs and the operation of such programs on welfare dependency, illegitimacy, teen pregnancy, employment rates, child well-being, and any other area the Secretary deems appropriate. The Secretary shall also conduct research on the costs and benefits of State activities under section [409] *407*.

* * * * * * *

(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.]

(1) IN GENERAL.—The Secretary shall annually rank States to which grants are made under section 403 based on the following ranking factors:

(A) 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 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 the year.

(B) NET CHANGES IN THE OUT-OF-WEDLOCK RATIO.—The difference between the ratio described in subparagraph (A) with respect to a State for the most recent year for which such information is available and the ratio with respect to the State for the immediately preceding year.

* * * * * * *

(h) 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 of fiscal years 1997 through 2002 for the purpose of paying—

(A) * * *

* * * * * * *

(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] *August 22, 1996*, and are continued after such date.

* * * * * * *

(i) CHILD POVERTY RATES.—

(1) IN GENERAL.—Not later than [90 days after the date of the enactment of this part] *November 30, 1997*, and annually thereafter, the chief executive officer of each State shall submit to the Secretary a statement of the child poverty rate in the State as of such date of enactment or the date of the most recent prior statement under this paragraph.

* * * * * * *

(5) METHODOLOGY.—The Secretary shall prescribe regulations establishing the methodology by which a State shall determine the child poverty rate in the State. The methodology shall take into account factors including the number of children who receive free or reduced-price lunches, the number of food stamp households, and [the county-by-county], *to the extent available, county-by-county* estimates of children in poverty as determined by the Census Bureau.

* * * * * * *

SEC. 418. FUNDING FOR CHILD CARE.

(a) GENERAL CHILD CARE ENTITLEMENT.—

(1) GENERAL ENTITLEMENT.—Subject to the amount appropriated under paragraph (3), each State shall, for the purpose of providing child care assistance, be entitled to payments under a grant under this subsection for a fiscal year in an amount equal to *the greater of*—

(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] *expenditures* for child care under [section—

[(i) 402(g) of this Act (as such section was in effect before October 1, 1995); and

[(ii) 402(i) of this Act (as so in effect); or] *subsections (g) and (i) of section 402 (as 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] *subsections* referred to in subparagraph (A)[; [whichever is greater.].

(2) REMAINDER.—

(A) * * *

[(B) AMOUNT.—Subject to subparagraph (C), the amount of a grant awarded to a State for a fiscal year under this paragraph shall be based on the formula used for determining the amount of Federal payments to the State under section 403(n) (as such section was in effect before October 1, 1995).

[(C) MATCHING REQUIREMENT.—The Secretary shall pay to each eligible State in a fiscal year an amount, under a grant under subparagraph (A), equal to the Federal medical assistance percentage for such State for fiscal year 1995 (as defined in section 1905(b)) of so much of the expenditures by the State for child care in such year as exceed the State set-aside for such State under paragraph (1)(A) for such year and the amount of State expenditures in fiscal year 1994 or 1995 (whichever is greater) that equal the non-Federal share for the programs described in subparagraph (A) of paragraph (1).]

(B) ALLOTMENTS TO STATES.—The total amount available for payments to States under this paragraph, as determined under subparagraph (A), shall be allotted among the States based on the formula used for determining the amount of Federal payments to each State under section 403(n) (as in effect before October 1, 1995).

(C) FEDERAL MATCHING OF STATE EXPENDITURES EXCEEDING HISTORICAL EXPENDITURES.—The Secretary shall pay to each eligible State for a fiscal year an amount equal to the lesser of the State's allotment under subparagraph (B) or the Federal medical assistance percentage for the State for the fiscal year (as defined in section 1905(b), as such section was in effect on September 30, 1995) of so much of the State's expenditures for child care in that fiscal year as exceed the total amount of expenditures by the State (including expenditures from amounts made available from Federal funds) in fiscal year 1994 or 1995 (whichever is greater) for the programs described in paragraph (1)(A).

(D) REDISTRIBUTION.—

(i) IN GENERAL.—With respect to any fiscal year, if the Secretary determines (in accordance with clause (ii)) that [amounts under any grant awarded] *any*

amounts allotted to a State under this paragraph for such fiscal year will not be used by such State during such fiscal year for carrying out the purpose for which [the grant is made] *such amounts are allotted*, the Secretary shall make such amounts available in the subsequent fiscal year for carrying out such purpose to one or more States which apply for such funds to the extent the Secretary determines that such States will be able to use such additional amounts for carrying out such purpose. Such available amounts shall be redistributed to a State pursuant to section 403(n) (as such section was in effect before October 1, 1995) by substituting "the number of children residing in all States applying for such funds" for "the number of children residing in the United States in the second preceding fiscal year".

* * * * * * *

(5) DATA USED TO DETERMINE STATE AND FEDERAL SHARES OF EXPENDITURES.—In making the determinations concerning expenditures required under paragraphs (1) and (2)(C), the Secretary shall use information that was reported by the State on ACF Form 231 and available as of the applicable dates specified in clauses (i)(I), (ii), and (iii)(III) of section 403(a)(1)(D).

* * * * * * *

(d) DEFINITION.—As used in this section, the term "State" means each of the 50 States [or] *and* the District of Columbia.

* * * * * * *

PART B—CHILD AND FAMILY SERVICES

Subpart 1—Child Welfare Services

* * * * * * *

STATE PLANS FOR CHILD WELFARE SERVICES

SEC. 422. (a) * * *

(b) Each plan for child welfare services under this subpart shall—

(1) * * *

* * * * * * *

(9) provide for the diligent recruitment of potential foster and adoptive families that reflect the ethnic and racial diversity of children in the State for whom foster and adoptive homes are needed[.]*;*

[(9)] *(10)* provide assurances that the State—

(A) * * *

* * * * * * *

[(10)] *(11)* contain a description, developed after consultation with tribal organizations (as defined in section 4 of the Indian Self-Determination and Education Assistance Act) in the

State, of the specific measures taken by the State to comply with the Indian Child Welfare Act.

* * * * * * *

REALLOTMENT

SEC. 424. (a) * * *

(b) EXCEPTION RELATING TO FOSTER CHILD PROTECTIONS.—The Secretary shall not reallot under subsection (a) of this section any amount that is withheld or recovered from a State due to the failure of the State to meet the requirements of section [422(b)(9)] *422(b)(10)*.

DEFINITIONS

Sec. 425. (a)(1) For purposes of this title, the term "child welfare services" means public social services which are directed toward the accomplishment of the following purposes: (A) protecting and promoting the welfare of all children, including handicapped, homeless, dependent, or neglected children; (B) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation, or delinquency of children; (C) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible; (D) restoring to their families children who have been removed, by the provision of services to the child and the families; (E) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and (F) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

(2) Funds expended by a State for any calendar quarter to comply with section [422(b)(9)] *422(b)(10)* or 476(b), and funds expended with respect to nonrecurring costs of adoption proceedings in the case of children placed for adoption with respect to whom assistance is provided under a State plan for adoption assistance approved under part E of this title, shall be deemed to have been expended for child welfare services.

* * * * * * *

SEC. 429A. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

(a) IN GENERAL.—The Secretary shall conduct (directly, or by grant, contract, or interagency agreement) 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.

(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 determines is feasible.

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

(1) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

(2) 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 placement.

(d) REPORTS.—

(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a).

(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under para-graph (2).

(e) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for each of fiscal years 1996 through 2002 $6,000,000 to carry out this section.

Subpart 2—Family Preservation and Support Services

* * * * * * *

[SEC. 429A. NATIONAL RANDOM SAMPLE STUDY OF CHILD WELFARE.

[(a) IN GENERAL.—The Secretary shall 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.

[(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 determines is feasible.

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

[(1) carefully consider selecting the sample from cases of confirmed abuse or neglect; and

[(2) 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 placement.

[(d) REPORTS.—

[(1) IN GENERAL.—From time to time, the Secretary shall prepare reports summarizing the results of the study required by subsection (a).

[(2) AVAILABILITY.—The Secretary shall make available to the public any report prepared under paragraph (1), in writing or in the form of an electronic data tape.

[(3) AUTHORITY TO CHARGE FEE.—The Secretary may charge and collect a fee for the furnishing of reports under para-graph (2).

[(e) APPROPRIATION.—Out of any money in the Treasury of the United States not otherwise appropriated, there are appropriated to the Secretary for each of fiscal years 1996 through 2002 $6,000,000 to carry out this section.]

* * * * * * *

PART D—CHILD SUPPORT AND ESTABLISHMENT OF PATERNITY

* * * * * * *

DUTIES OF THE SECRETARY

SEC. 452. (a) * * *

* * * * * * *

(d)(1) * * *

* * * * * * *

(3) The Secretary may waive any requirement of paragraph (1) or any condition specified under section 454(16) with respect to a State if—

(A) the State demonstrates to the satisfaction of the Secretary that the State has an alternative system or systems that enable the State, for purposes of [section 403(h), to be in substantial compliance with other requirements of this part; and] *section 409(a)(8), to achieve the paternity establishment percentages (as defined under section 452(g)(2)) and other performance measures that may be established by the Secretary, and to submit data under section 454(15)(B) that is complete and reliable, and to substantially comply with the requirements of this part; and*

* * * * * * *

(g)(1) A State's program under this part shall be found, for purposes of [section 403(h)] *section 409(a)(8)*, not to have complied substantially with the requirements of this part unless, for any fiscal year beginning on or after October 1, 1994, its paternity establishment percentage for such fiscal year is based on reliable data and (rounded to the nearest whole percentage point) equals or exceeds—

(A) 90 percent;

* * * * * * *

(2) For purposes of this section—

(A) * * *

* * * * * * *

(C) the term "reliable data" means the most recent data available which are found by the Secretary to be reliable for purposes of this section.

For purposes of [subparagraph (A)] *subparagraphs (A) and (B)*, the total number of children shall not include any child who is a dependent child by reason of the death of a parent unless paternity is established for such child or any child with respect to whom an applicant or recipient is found to have good cause for refusing to cooperate under section 402(a)(26) or any child with respect to whom the State agency administering the plan under part E determines (as provided in section 454(4)(B)) that it is against the best interests of such child to do so.

* * * * * * *

(j) Out of any money in the Treasury of the United States not otherwise appropriated, there is hereby appropriated to the Secretary for each fiscal year an amount equal to 1 percent of the total amount paid to the Federal Government pursuant to a plan approved under this part 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 third calendar quarter following the end of such preceding fiscal year), [to cover costs incurred by the Secretary] *which shall be available for use by the Secretary, either directly or through grants, contracts, or interagency agreements,* for—

(1) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs under this part (including technical assistance concerning State automated systems required by this part); and

* * * * * * *

FEDERAL PARENT LOCATOR SERVICE

SEC. 453. (a)*(1)* The Secretary shall establish and conduct a Federal Parent Locator Service, under the direction of the designee of the Secretary referred to in section 452(a), which shall be used [to obtain and transmit to any authorized person (as defined in subsection (c)), 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.] *for the purposes specified in paragraphs (2) and (3).*

(2) For the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, the Federal Parent Locator Service shall obtain and transmit to any authorized person specified in subsection (c)—

(A) information on, or facilitating the discovery of, the location of any individual—

(i) who is under an obligation to pay child support;

(ii) against whom such an obligation is sought; or

(iii) 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;

(B) 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

(C) information on the type, status, location, and amount of any assets of, or debts owed by or to, any such individual.

(3) For the purpose of enforcing any Federal or State law with respect to the unlawful taking or restraint of a child, or making or enforcing a child custody or visitation determination, as defined in section 463(d)(1), the Federal Parent Locator Service shall be used to obtain and transmit the information specified in section 463(c) to the authorized persons specified in section 463(d)(2).

[(b) Upon request, filed in accordance with subsection (d) of any authorized person (as defined in subsection (c)) for the information described in subsection (a), the Secretary shall, notwithstanding any other provision of law, provide through the Federal Parent Locator Service such information to such person, if such information—

[(1) is contained in any files or records maintained by the Secretary or by the Department of Health and Human Services; or

[(2) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (e), from any other department, agency, or instrumentality of the United States or of any State.

No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c)(1). 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)(1) Upon request, filed in accordance with subsection (d), of any authorized person, as defined in subsection (c) for the information described in subsection (a)(2), or of any authorized person, as defined in section 463(d)(2) for the information described in section

463(c), the Secretary shall, notwithstanding any other provision of law, provide through the Federal Parent Locator Service such information to such person, if such information—

(A) is contained in any files or records maintained by the Secretary or by the Department of Health and Human Services; or

(B) is not contained in such files or records, but can be obtained by the Secretary, under the authority conferred by subsection (e), from any other department, agency, or instrumentality of the United States or of any State,

and is not prohibited from disclosure under paragraph (2).

(2) No information shall be disclosed to any person if the disclosure of such information would contravene the national policy or security interests of the United States or the confidentiality of census data. The Secretary shall give priority to requests made by any authorized person described in subsection (c)(1). 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, provided that—

(A) in response to a request from an authorized person (as defined in subsection (c) and section 463(d)(2)), the Secretary shall advise the authorized person that the Secretary has been notified that there is reasonable evidence of domestic violence or child abuse and that information can only be disclosed to a court or an agent of a court pursuant to subparagraph (B); and

(B) information may be disclosed to a court or an agent of a court described in subsection (c)(2) or section 463(d)(2)(B), if—

(i) upon receipt of information from the Secretary, the court determines whether disclosure to any other person of that information could be harmful to the parent or the child; and

(ii) if the court determines that disclosure of such information to any other person could be harmful, the court and its agents shall not make any such disclosure.

(3) Information received or transmitted pursuant to this section shall be subject to the safeguard provisions contained in section 454(26).

(c) As used in subsection (a), the term "authorized person" means—

(1) any agent or attorney of any State having in effect a plan approved under this part, who has the duty or authority under such plans to seek to recover any amounts owed as child and spousal support [or to seek to enforce orders providing child custody or visitation rights] (including, when authorized under the State plan, any official of a political subdivision);

(2) the court which has authority to issue an order *or to serve as the initiating court in an action to seek an order* against a noncustodial parent for the support and maintenance of a child [or to issue an order against a resident parent for child custody or visitation rights], or any agent of such court;

* * * * * * *

(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 ap-

proved 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 *and order* in each State case registry maintained pursuant to section 454A(e), as furnished (and regularly updated), pursuant to section 454A(f), by State agencies administering programs under this part.

(2) CASE *AND ORDER* INFORMATION.—The information referred to in paragraph (1) with respect to a case *or an order* 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 *or order*.

* * * * * * *

(j) INFORMATION COMPARISONS AND OTHER DISCLOSURES.—

(1) * * *

* * * * * * *

(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**]** *components* to such State agencies.

* * * * * * *

(5) RESEARCH.—The Secretary may provide access to *data in each component of the Federal Parent Locator Service maintained under this section and 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) * * *

(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)] *section 453A(g)(2)*, 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).

* * * * * * *

(o) [RECOVERY OF COSTS] *USE OF SET-ASIDE FUNDS*.—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 a plan approved under this part 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 third calendar quarter following the end of such preceding fiscal year), [to cover costs incurred by the Secretary] *which shall be available for use by the Secretary, either directly or through grants, contracts, or interagency agreements,* for operation of the Federal Parent Locator Service under this section, to the extent such costs are not recovered through user fees. *Amounts appropriated under this subsection for each of fiscal years 1997 through 2001 shall remain available until expended.*

(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] *of* the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.

SEC. 453A. STATE DIRECTORY OF NEW HIRES.

(a) * * *

* * * * * * *

(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] *shall not exceed—*

(1) [$25] *$25 per failure to meet the requirements of this section with respect to a newly hired employee*; 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.

* * * * * * *

(g) TRANSMISSION OF INFORMATION.—

(1) * * *

(2) TRANSMISSIONS TO THE NATIONAL DIRECTORY OF NEW HIRES.—

(A) * * *

(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] *information* 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.

* * * * * * *

STATE PLAN FOR CHILD AND SPOUSAL SUPPORT

SEC. 454. A State plan for child and spousal support must—

(1) * * *

* * * * * * *

(4) provide that the State will—

(A) provide services relating to the establishment of paternity or the establishment, modification, or enforcement of child support obligations, as appropriate, under the plan with respect to—

(i) each child for whom (I) assistance is provided under the State program funded under part A of this title, (II) benefits or services for foster care maintenance are provided under the State program funded under part E of this title, [or] (III) medical assistance is provided under the State plan approved under title XIX, *or (IV) cooperation is required pursuant to section 6(l)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(l)(1)),* unless, in accordance with paragraph (29), good cause or other exceptions exist;

* * * * * * *

(6) provide that—

(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;

(B) an application fee for furnishing such services shall be imposed on [individuals not receiving assistance under any State program funded under part A, which] *an individual, other than an individual receiving assistance under a State program funded under part A or E, or under a State plan approved under title XIX, or who is required by the State to cooperate with the State agency administering the program under this part pursuant to subsection (l) or (m) of section 6 of the Food Stamp Act of 1977, and* shall be paid by the individual applying for such services, or recovered from the absent parent, or paid by the State out of its own funds (the payment of which from State funds shall not be considered as an administrative cost of the State for the operation of the plan, and shall be considered income to the program), the amount of which (i) will not exceed $25 (or such higher or lower amount (which shall be uniform for all States) as the Secretary may determine to be appropriate for any fiscal year to reflect increases or decreases in administrative costs), and (ii) may vary among such individuals on the basis of ability to pay (as determined by the State);

* * * * * * *

(8) provide that*, for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations, or making or enforcing a child custody or visitation determination, as defined in section 463(d)(1)* the agency administering the plan will establish a service to locate **[**noncustodial**]** parents utilizing—

(A) all sources of information and available records**[**,**]***;* and

(B) the Federal Parent Locator Service established under section 453**[**;**]***,*

and shall, subject to the privacy safeguards required under paragraph (26), disclose only the information described in sections 453 and 463 to the authorized persons specified in such sections for the purposes specified in such sections;

* * * * * * *

(17) **[**in the case of a State which has**]** *provide that the State will have* in effect an agreement with the Secretary entered into pursuant to section 463 for the use of the Parent Locator Service established under section 453, *and* provide that the State will accept and transmit to the Secretary requests for information authorized under the provisions of the agreement to be furnished by such Service to authorized persons, will impose and collect (in accordance with regulations of the Secretary) a fee sufficient to cover the costs to the State and to the Secretary incurred by reason of such requests, will transmit to the Secretary from time to time (in accordance with such regulations) so much of the fees collected as are attributable to such costs to the Secretary so incurred, and during the period that such agreement is in effect will otherwise comply with such agreement and regulations of the Secretary with respect thereto;

* * * * * * *

(19) provide that the agency administering the plan—

(A) * * *

(B) shall enforce any such child support obligations which are owed by such an individual but are not being met—

(i) * * *

(ii) in the absence of such an agreement, by bringing legal process (as defined in **[**section 462(e)**]** *section 459(i)(5)* of this Act) to require the withholding of amounts from such compensation;

* * * * * * *

(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*, modify,* or enforce support*, or to make or enforce a child custody determination*;

(B) prohibitions against the release of information on the whereabouts of 1 party *or the child* to another party

against whom a protective order with respect to the former party *or the child* has been entered; [and]

(C) prohibitions against the release of information on the whereabouts of 1 party *or the child* to [another party] *another person* if the State has reason to believe that the release of the information *to that person* may result in physical or emotional harm to the [former party] *party or the child*;

(D) in cases in which the prohibitions under subparagraphs (B) and (C) apply, the requirement to notify the Secretary, for purposes of section 453(b)(2), that the State has reasonable evidence of domestic violence or child abuse against a party or the child and that the disclosure of such information could be harmful to the party or the child; and

(E) procedures providing that when the Secretary discloses information about a parent or child to a State court or an agent of a State court described in section 453(c)(2) or 463(d)(2)(B), and advises that court or agent that the Secretary has been notified that there is reasonable evidence of domestic violence or child abuse pursuant to section 453(b)(2), the court shall determine whether disclosure to any other person of information received from the Secretary could be harmful to the parent or child and, if the court determines that disclosure to any other person could be harmful, the court and its agents shall not make any such disclosure;

* * * * * * *

(29) provide that the State agency responsible for administering the State plan—

(A) shall make the determination (and redetermination at appropriate intervals) as to whether an individual who has applied for or is receiving assistance under the State program funded under [part A of this title or the State program under title XIX] *part A, the State program under part E, the State program under title XIX, or the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)),* is cooperating in good faith with the State in establishing the paternity of, or in establishing, modifying, or enforcing a support order for, any child of the individual by providing the State agency with the name of, and such other information as the State agency may require with respect to, the noncustodial parent of the child, subject to good cause and other exceptions which—

[(i) shall be defined, taking into account the best interests of the child, and

[(ii) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, or title XIX;]

(i) in the case of the State program funded under part A, the State program under part E, or the State program under title XIX shall, at the option of the State, be defined, taking into account the best interests

of the child, and applied in each case, by the State agency administering such program; and

(ii) in the case of the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)), shall be defined and applied in each case under that program in accordance with section 6(l)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2015(l)(2));

* * * * * * *

(D) may request that the individual sign a voluntary acknowledgment of paternity, after notice of the rights and consequences of such an acknowledgment, but may not require the individual to sign an acknowledgment or otherwise relinquish the right to genetic tests as a condition of cooperation and eligibility for assistance under the State program funded under part A, [or the State program under title XIX] *the State program under part E, the State program under title XIX, or the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h))*; and

(E) shall promptly notify the [individual, the State agency administering the State program funded under part A, and the State agency administering the State program under title XIX,] *individual and the State agency administering the State program funded under part A, the State agency administering the State program under part E, the State agency administering the State program under title XIX, or the State agency administering the food stamp program, as defined under section 3(h) of the Food Stamp Act of 1977 (7 U.S.C. 2012(h)),* of each such determination, and if noncooperation is determined, the basis therefor;

* * * * * * *

(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)] *section 459A(d)* shall be treated as a request by a State;

* * * * * * *

(33) provide that a State that receives funding pursuant to section 428 and that has within its borders Indian country (as defined in section 1151 of title 18, United States Code) may enter into cooperative agreements with an Indian tribe or tribal organization (as defined in subsections (e) and (l) of section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), if the Indian tribe or tribal organization demonstrates that such tribe or organization has an established tribal court system or a Court of Indian Offenses with the authority to establish paternity, establish, modify, [and enforce support orders, and] *or enforce support orders, or* to enter support orders in accordance with child support [guidelines established by such tribe or organization] *guidelines established or adopted by such tribe or organization*, under which the State

and tribe or organization shall provide for the cooperative delivery of child support enforcement services in Indian country and for the forwarding of all [funding collected] *collections* pursuant to the functions performed by the tribe or organization to the State agency, or conversely, by the State agency to the tribe or organization, which shall distribute such [funding] *collections* in accordance with such agreement.

The State may allow the jurisdiction which makes the collection involved to retain any application fee under paragraph (6)(B) or any late payment fee under paragraph (21). Nothing in paragraph (33) shall void any provision of any cooperative agreement entered into before the date of the enactment of such paragraph, nor shall such paragraph deprive any State of jurisdiction over Indian country (as so defined) that is lawfully exercised under section 402 of the Act entitled "An Act to prescribe penalties for certain acts of violence or intimidation, and for other purposes", approved April 11, 1968 (25 U.S.C. 1322).

* * * * * * *

SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

(a) * * *

* * * * * * *

(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. *The date of collection for amounts collected and distributed under this part is the date of receipt by the State disbursement unit, except that if current support is withheld by an employer in the month when due and is received by the State disbursement unit in a month other than the month when due, the date of withholding may be deemed to be the date of collection.*

* * * * * * *

PAYMENTS TO STATES

SEC. 455. (a)(1) * * *

* * * * * * *

(3)(A) * * *

(B)(i) The Secretary shall pay to each State *or system described in clause (iii)*, for each quarter in fiscal years 1996 through 2001, the percentage specified in clause (ii) of so much of the State *or system* expenditures described in paragraph (1)(B) as the Secretary finds are for a system meeting the requirements of sections 454(16) and 454A.

(ii) The percentage specified in this clause is 80 percent.

(iii) For purposes of clause (i), a system described in this clause is a system that has been approved by the Secretary to receive enhanced funding pursuant to the Family Support Act of 1988 (Public Law 100–485; 102 Stat. 2343) for the purpose of developing a sys-

tem that meets the requirements of sections 454(16) (as in effect on and after September 30, 1995) and 454A, including systems that have received funding for such purpose pursuant to a waiver under section 1115(a).

* * * * * * *

[(b) The Secretary may, in appropriate cases, make direct payments under this part to an Indian tribe or tribal organization which has an approved child support enforcement plan under this title. In determining whether such payments are appropriate, the Secretary shall, at a minimum, consider whether services are being provided to eligible Indian recipients by the State agency through an agreement entered into pursuant to section 454(34).**]**

(f) The Secretary may make direct payments under this part to an Indian tribe or tribal organization that demonstrates to the satisfaction of the Secretary that it has the capacity to operate a child support enforcement program meeting the objectives of this part, including establishment of paternity, establishment, modification, and enforcement of support orders, and location of absent parents. The Secretary shall promulgate regulations establishing the requirements which must be met by an Indian tribe or tribal organization to be eligible for a grant under this subsection.

SUPPORT OBLIGATIONS

SEC. 456. (a)(1) * * *

(2) The amount of such obligation shall be—

(A) the amount specified in a court order which covers the assigned support rights, or

(B) if there is no court order, an amount determined by the State in accordance with a formula approved by the Secretary**[**, and**]**.

* * * * * * *

SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.

(a) IN GENERAL.—Subject to **[**subsection (e)**]** *subsections (e) and (f)*, 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.

In no event shall the total of the amounts paid to the Federal Government and retained by the State exceed the total of the amounts that have been paid to the family as assistance by the State.

(2) FAMILIES THAT FORMERLY RECEIVED ASSISTANCE.—In the case of a family that formerly received assistance from the State:

(A) * * *

(B) PAYMENTS OF ARREARAGES.—To the extent that the amount so collected exceeds the amount required to be

paid to the family for the month in which collected, the State shall distribute the amount so collected as follows:

(i) DISTRIBUTION OF ARREARAGES THAT ACCRUED AFTER THE FAMILY CEASED TO RECEIVE ASSISTANCE.—

(I) PRE-OCTOBER 1997.—Except as provided in subclause (II), the provisions of this section [(other than subsection (b)(1))] as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and Work Opportunity Act Reconciliation of 1996 *(other than subsection (b)(1) (as so in effect))* shall apply with respect to the distribution of support arrearages that—

(aa) accrued after the family ceased to receive assistance, and

(bb) are collected before October 1, 1997.

(II) POST-SEPTEMBER 1997.—With respect to the amount so collected on or after October 1, 1997 (or before such date, at the option of the State)—

(aa) * * *

* * * * * * *

(ii) DISTRIBUTION OF ARREARAGES THAT ACCRUED BEFORE THE FAMILY RECEIVED ASSISTANCE.—

(I) PRE-OCTOBER 2000.—Except as provided in subclause (II), the provisions of this section [(other than subsection (b)(1))] as in effect and applied on the day before the date of the enactment of section 302 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 *(other than subsection (b)(1) (as so in effect))* 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)] *(5)*, 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) * * *

* * * * * * *

[(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of a family receiving assistance from an Indian tribe, distribute the amount so collected pursuant to an agreement entered into pursuant to a State plan under section 454(33).]

(4) FAMILIES UNDER CERTAIN AGREEMENTS.—In the case of an amount collected for a family in accordance with a cooperative agreement under section 454(33), distribute the amount so collected pursuant to the terms of the agreement.

(5) STUDY AND REPORT.—Not later than October 1, [1998] *1999*, the Secretary shall report to the Congress the Secretary's findings with respect to—

(A) * * *

* * * * * * *

(6) STATE OPTION FOR APPLICABILITY.—Notwithstanding any other provision of this subsection, a State may elect to apply the rules described in clauses (i)(II), (ii)(II), and (v) of paragraph (2)(B) to support arrearages collected on and after October 1, 1998, and, if the State makes such an election, shall apply the provisions of this section, as in effect and applied on the day before the date of enactment of section 302 of the Personal Responsibility and Work Opportunity Act of 1996 (Public Law 104–193, 110 Stat. 2200), other than subsection (b)(1) (as so in effect), to amounts collected before October 1, 1998.

(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 Personal Responsibility and Work Opportunity Act of 1996, shall remain assigned after such date.**]** *and in effect on September 30, 1997 (or such earlier date, on or after August 22, 1996, as the State may choose), shall remain assigned after such date.*

(c) DEFINITIONS.—As used in subsection (a):

(1) * * *

(2) FEDERAL SHARE.—The term "Federal share" means that portion of the amount collected resulting from the application of the Federal medical assistance percentage in effect for the fiscal year in which the amount is **[**collected**]** *distributed*.

(3) FEDERAL MEDICAL ASSISTANCE PERCENTAGE.—The term "Federal medical assistance percentage" means—

(A) **[**the Federal medical assistance percentage (as defined in section 1118)**]** *75 percent*, in the case of Puerto Rico, the Virgin Islands, Guam, and American Samoa; or

(B) the Federal medical assistance percentage (as defined in section 1905(b), **[**as in effect on September 30, 1996**]** *as such section was in effect on September 30, 1995*) in the case of any other State.

* * * * * * *

(f) Notwithstanding the preceding provisions of this section, amounts collected by a State as child support for months in any period on behalf of a child for whom a public agency is making foster care maintenance payments under part E—

(1) shall be retained by the State to the extent necessary to reimburse it for the foster care maintenance payments made with respect to the child during such period (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

(2) shall be paid to the public agency responsible for supervising the placement of the child to the extent that the amounts collected exceed the foster care maintenance payments made with respect to the child during such period but not the amounts required by a court or administrative order to be paid as support on behalf of the child during such period; and the responsible agency may use the payments in the manner it determines will serve the best interests of the child, including set-

ting such payments aside for the child's future needs or making all or a part thereof available to the person responsible for meeting the child's day-to-day needs; and

(3) shall be retained by the State, if any portion of the amounts collected remains after making the payments required under paragraphs (1) and (2), to the extent that such portion is necessary to reimburse the State (with appropriate reimbursement to the Federal Government to the extent of its participation in the financing) for any past foster care maintenance payments (or payments of assistance under the State program funded under part A) which were made with respect to the child (and with respect to which past collections have not previously been retained);

and any balance shall be paid to the State agency responsible for supervising the placement of the child, for use by such agency in accordance with paragraph (2).

INCENTIVE PAYMENTS TO STATES

SEC. 458. (a) * * *

* * * * * * *

(d) In computing incentive payments under this section, support which is collected by one State at the request of another State*, including amounts collected under section 466(a)(14),* shall be treated as having been collected in full by each such State, and any amounts expended by the State in carrying out a special project assisted under section 455(e) shall be excluded.

* * * * * * *

SEC. 459. CONSENT BY THE UNITED STATES TO INCOME WITHHOLDING, GARNISHMENT, AND SIMILAR PROCEEDINGS FOR ENFORCEMENT OF CHILD SUPPORT AND ALIMONY OBLIGATIONS.

(a) * * *

* * * * * * *

(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS—

(1) * * *

(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) * * *

* * * * * * *

(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**]** *withhold available sums in response to the order or process, or answer the interrogatory*.

* * * * * * *

(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) * * *

* * * * * * *

(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 *or payable* under Federal or State law [but]*; and*

(iv) benefits paid or payable under the Railroad Retirement System, 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[.]*; or*

(iii) of periodic benefits under title 38, United States Code, except as provided in subparagraph (A)(ii)(V).

* * * * * * *

USE OF FEDERAL PARENT LOCATOR SERVICE IN CONNECTION WITH THE ENFORCEMENT OR DETERMINATION OF CHILD CUSTODY AND IN CASES OF PARENTAL KIDNAPING OF A CHILD

SEC. 463. (a) The Secretary shall enter into an agreement with [any State which is able and willing to do so,] *every State* under which the services of the Federal Parent Locator Service established under section 453 shall be made available to [such] *each* State for the purpose of determining the whereabouts of any [non-custodial] parent or child when such information is to be used to locate such parent or child for the purpose of—

(1) enforcing any State or Federal law with respect to the unlawful taking or restraint of a child; or

(2) making or enforcing a child custody *or visitation* determination.

(b) An agreement entered into under subsection (a) shall provide that the State agency described in section 454 will, under procedures prescribed by the Secretary in regulations, receive and transmit to the Secretary requests from authorized persons for information as to (or useful in determining) the whereabouts of any [noncustodial] parent or child when such information is to be used to locate such parent or child for the purpose of—

(1) enforcing any State or Federal law with respect to the unlawful taking or restraint of a child; or

(2) making or enforcing a child custody *or visitation* determination.

(c) Information authorized to be provided by the Secretary under subsection (a), (b), (e), or (f) shall be subject to the same conditions with respect to disclosure as information authorized to be provided under section 453, and a request for information by the Secretary under this section shall be considered to be a request for information under section 453 which is authorized to be provided under such section. Only information as to the most recent address and place of employment of any [noncustodial] parent or child shall be provided under this section.

(d) For purposes of this section—

(1) the term "custody *or visitation* determination" means a judgment, decree, or other order of a court providing for the custody or visitation of a child, and includes permanent and temporary orders, and initial orders and modification;

(2) the term "authorized person" means—

(A) any agent or attorney of any State having an agreement under this section, who has the duty or authority under the law of such State to enforce a child custody *or visitation* determination;

(B) any court having jurisdiction to make or enforce such a child custody *or visitation* determination, or any agent of such court; and

* * * * * * *

(f) The Secretary shall enter into an agreement with the Attorney General of the United States, under which the services of the Federal Parent Locator Service established under section 453 shall be made available to the Office of Juvenile Justice and Delinquency Prevention upon its request to locate any parent or child on behalf of such Office for the purpose of—

(1) enforcing any State or Federal law with respect to the unlawful taking or restraint of a child, or

(2) making or enforcing a child custody *or visitation* determination.

The Federal Parent Locator Service shall charge no fees for services requested pursuant to this subsection.

COLLECTION OF PAST-DUE SUPPORT FROM FEDERAL TAX REFUNDS

SEC. 464. (a)(1) Upon receiving notice from a State agency administering a plan approved under this part that a named individual owes past-due support which has been assigned to such State pursuant to section [402(a)(26)] *408(a)(3)* or section 471(a)(17), the Secretary of the Treasury shall determine whether any amounts, as

refunds of Federal taxes paid, are payable to such individual (regardless of whether such individual filed a tax return as a married or unmarried individual). If the Secretary of the Treasury finds that any such amount is payable, he shall withhold from such refunds an amount equal to the past-due support, shall concurrently send notice to such individual that the withholding has been made (including in or with such notice a notification to any other person who may have filed a joint return with such individual of the steps which such other person may take in order to secure his or her proper share of the refund), and shall pay such amount to the State agency (together with notice of the individual's home address) for distribution in accordance with section 457. This subsection may be executed by the disbursing official of the Department of the Treasury.

(2)(A) Upon receiving notice from a State agency administering a plan approved under this part that a named individual owes past-due support (as that term is defined for purposes of this paragraph under subsection (c)) which such State has agreed to collect under section [454(6)] *454(4)(A)(ii)*, and that the State agency has sent notice to such individual in accordance with paragraph (3)(A), the Secretary of the Treasury shall determine whether any amounts, as refunds of Federal taxes paid, are payable to such individual (regardless of whether such individual filed a tax return as a married or unmarried individual). If the Secretary of the Treasury finds that any such amount is payable, he shall withhold from such refunds an amount equal to such past-due support, and shall concurrently send notice to such individual that the withholding has been made, including in or with such notice a notification to any other person who may have filed a joint return with such individual of the steps which such other person may take in order to secure his or her proper share of the refund. The Secretary of the Treasury shall pay the amount withheld to the State agency, and the State shall pay to the Secretary of the Treasury any fee imposed by the Secretary of the Treasury to cover the costs of the withholding and any required notification. The State agency shall, subject to paragraph (3)(B), distribute such amount to or on behalf of the child to whom the support was owed *in accordance with section 457*. This subsection may be executed by the Secretary of the Department of the Treasury or his designee.

* * * * * * *

REQUIREMENT OF STATUTORILY PRESCRIBED PROCEDURES TO IMPROVE EFFECTIVENESS OF CHILD SUPPORT ENFORCEMENT

SEC. 466. (a) In order to satisfy section 454(20)(A), each State must have in effect laws requiring the use of the following procedures, consistent with this section and with regulations of the Secretary, to increase the effectiveness of the program which the State administers under this part:

(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 income of a person with a support obligation imposed by a support order issued (or modi-

fied) in the State before [October 1, 1996] *January 1, 1994*, 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.

* * * * * * *

(3) Procedures under which the State child support enforcement agency shall request, and the State shall provide, that for the purpose of enforcing a support order under any State plan approved under this part—

(A) * * *

(B) the amount by which such refund is reduced shall be distributed in accordance with section [457(b)(4) or (d)(3)] *457* in the case of overdue support assigned to a State pursuant to section 402(a)(26) or 471(a)(17), or, in any other case, shall be distributed, after deduction of any fees imposed by the State to cover the costs of collection, to the child or parent to whom such support is owed; and

* * * * * * *

(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

(A) * * *

* * * * * * *

(C) VOLUNTARY PATERNITY ACKNOWLEDGMENT.—

(i) SIMPLE CIVIL PROCESS.—Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the mother and the putative father must be given notice, orally*, or through the use of video or audio equipment,* and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

* * * * * * *

(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, *recreational 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 *to be used on the face of the document while the social security number is kept on file at the agency*, the State shall so advise any applicants.

[(14) ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—Procedures under which—

[(A)(i) the State shall respond within 5 business days to a request made by another State to enforce a support order; and

[(ii) the term "business day" means a day on which State offices are open for regular business;

[(B) the State may, by electronic or other means, transmit to another State a request for assistance in a case involving the enforcement of a support order, which request—

[(i) shall include such information as will enable the State to which the request is transmitted to compare the information about the case to the information in the data bases of the State; and

[(ii) shall constitute a certification by the re-questing State—

[(I) of the amount of support under the order the payment of which is in arrears; and

[(II) that the requesting State has complied with all procedural due process requirements applicable to the case;

[(C) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

[(D) the State shall maintain records of—

[(i) the number of such requests for assistance received by the State;

[(ii) the number of cases for which the State collected support in response to such a request; and

[(iii) the amount of such collected support.

[(15) PROCEDURES TO ENSURE THAT PERSONS OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—

[(A) IN GENERAL.—Procedures under which the State has the authority, in any case in which an individual owes past-due support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

[(i) pay such support in accordance with a plan approved by the court, or, at the option of the State, a plan approved by the State agency administering the State program under this part; or

[(ii) if the individual is subject to such a plan and is not incapacitated, participate in such work activities (as defined in section 407(d)) as the court, or, at the option of the State, the State agency administering the State program under this part, deems appropriate.

[(B) PAST-DUE SUPPORT DEFINED.—For purposes of subparagraph (A), the term "past-due support" means the amount of a delinquency, determined under a court order,

or an order of an administrative process established under State law, for support and maintenance of a child, or of a child and the parent with whom the child is living.]

(14) HIGH-VOLUME, AUTOMATED ADMINISTRATIVE ENFORCEMENT IN INTERSTATE CASES.—

(A) IN GENERAL.—Procedures under which—

(i) the State shall use high-volume automated administrative enforcement, to the same extent as used for intrastate cases, in response to a request made by another State to enforce support orders, and shall promptly report the results of such enforcement procedure to the requesting State;

(ii) the State may, by electronic or other means, transmit to another State a request for assistance in enforcing support orders through high-volume, automated administrative enforcement, which request—

(I) shall include such information as will enable the State to which the request is transmitted to compare the information about the cases to the information in the data bases of the State; and

(II) shall constitute a certification by the requesting State—

(aa) of the amount of support under an order the payment of which is in arrears; and

(bb) that the requesting State has complied with all procedural due process requirements applicable to each case;

(iii) if the State provides assistance to another State pursuant to this paragraph with respect to a case, neither State shall consider the case to be transferred to the caseload of such other State; and

(iv) the State shall maintain records of—

(I) the number of such requests for assistance received by the State;

(II) the number of cases for which the State collected support in response to such a request; and

(III) the amount of such collected support.

(B) HIGH-VOLUME AUTOMATED ADMINISTRATIVE ENFORCEMENT.—In this part, the term "high-volume automated administrative enforcement" means the use of automatic data processing to search various State data bases, including license records, employment service data, and State new hire registries, to determine whether information is available regarding a parent who owes a child support obligation.

(15) PROCEDURES TO ENSURE THAT PERSONS OWING OVERDUE SUPPORT WORK OR HAVE A PLAN FOR PAYMENT OF SUCH SUPPORT.—Procedures under which the State has the authority, in any case in which an individual owes overdue support with respect to a child receiving assistance under a State program funded under part A, to issue an order or to request that a court or an administrative process established pursuant to State law issue an order that requires the individual to—

(A) 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

(B) 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.

(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 *and sporting* 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.

* * * * * * *

(c) EXPEDITED PROCEDURES.—The procedures specified in this subsection are the following:

(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority to take the following actions relating to establishment of paternity or to establishment, modification, or enforcement of support orders, without the necessity of obtaining an order from any other judicial or administrative tribunal, and to recognize and enforce the authority of State agencies of other States to take the following actions:

(A) * * *

* * * * * * *

(E) CHANGE IN PAYEE.—In cases in which support is subject to an assignment in order to comply with a requirement imposed pursuant to part A*, part E,* or section 1912, or to a requirement to pay through the State disbursement unit established pursuant to section 454B, upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

(F) INCOME WITHHOLDING.—To order income withholding in accordance with subsections (a)(1)(A) and (b) [of section 466].

(G) SECURING ASSETS.—In cases in which there is a support arrearage, to secure assets to satisfy *any current support obligation and* the arrearage by—

(i) intercepting or seizing periodic or lump-sum payments from—

(I) a State or local agency, including unemployment compensation, workers' compensation, and other benefits; and

(II) judgments, settlements, and lotteries;

(ii) attaching and seizing assets of the obligor held in financial institutions;

(iii) attaching public and private retirement funds; and

(iv) imposing liens in accordance with subsection (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

(A) LOCATOR INFORMATION; PRESUMPTIONS CON-CERNING NOTICE.—Procedures under which—

(i) each party to any paternity or child support proceeding is required (subject to privacy safeguards) to file with [the tribunal and] the State case registry upon entry of an order, and to update as appropriate, information on location and identity of the party, including Social Security number, residential and mailing addresses, telephone number, driver's license number, and name, address, and telephone number of employer; and

(ii) in any subsequent child support enforcement action between the parties, upon sufficient showing that diligent effort has been made to ascertain the location of such a party, the [tribunal may] *court or administrative agency of competent jurisdiction shall* deem State due process requirements for notice and service of process to be met with respect to the party, upon delivery of written notice to the most recent residential or employer address [filed with the tribunal] *filed with the State case registry* pursuant to clause (i).

* * * * * * *

(f) UNIFORM INTERSTATE FAMILY SUPPORT ACT.—In order to satisfy section 454(20)(A), on and after January 1, 1998, each State must have in effect the Uniform Interstate Family Support Act, as approved by the American Bar Association on February 9, 1993, [together with any amendments officially adopted before January 1, 1998 by the National Conference of Commissioners on Uniform State Laws.] *and as in effect on August 22, 1996, including any amendments officially adopted as of such date by the National Conference of Commissioners on Uniform State Laws.*

* * * * * * *

PART E—FEDERAL PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE

* * * * * * *

STATE PLAN FOR FOSTER CARE AND ADOPTION ASSISTANCE

SEC. 471. (a) In order for a State to be eligible for payments under this part, it shall have a plan approved by the Secretary which—

(1) * * *

* * * * * * *

(17) provides that, where appropriate, all steps will be taken, including cooperative efforts with the State agencies administering the program funded under part A and plan approved under part D, to secure an assignment to the State of any rights to support on behalf of each child receiving foster care maintenance payments under this part; [and]

(18) not later than January 1, 1997, provides that neither the State nor any other entity in the State that receives funds from the Federal Government and is involved in adoption or foster care placements may—

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

(B) delay or deny the placement of a child for adoption or into foster care, on the basis of the race, color, or national origin of the adoptive or foster parent, or the child, involved[.]*; and*

[(18)] *(19)* provides that the State shall consider giving preference to an adult relative over a non-related caregiver when determining a placement for a child, provided that the relative caregiver meets all relevant State child protection standards.

* * * * * * *

FOSTER CARE MAINTENANCE PAYMENTS PROGRAM

SEC. 472. (a) Each State with a plan approved under this part shall make foster care maintenance payments (as defined in section 475(4)) under this part with respect to a child who would have met the requirements of section 406(a) or of section 407 (as such sections were in effect on [June 1, 1995] *July 16, 1996*) but for his removal from the home of a relative (specified in section 406(a) (as so in effect)), if—

(1) the removal from the home occurred 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 therein would be contrary to the welfare of such child and (effective October 1, 1983) that reasonable efforts of the type described in section 471(a)(15) have been made;

* * * * * * *

(d) Notwithstanding any other provision of this title, Federal payments may be made under this part with respect to amounts expended by any State as foster care maintenance payments under this section, in the case of children removed from their homes pursuant to voluntary placement agreements as described in subsection (a), only if (at the time such amounts were expended) the State has fulfilled all of the requirements of section [422(b)(9)] *422(b)(10)*.

* * * * * * *

(h)(1) For purposes of title XIX, any child with respect to whom foster care maintenance payments are made under this section is deemed to be a dependent child as defined in section 406 (as in ef-

fect as of [June 1, 1995] *July 16, 1996*) and 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 is deemed to be a minor child in a needy family under a State program funded under part A of this title and is 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.

* * * * * * *

ADOPTION ASSISTANCE PROGRAM

SEC. 473. (a)(1) * * *

(2) For purposes of paragraph (1)(B)(ii), a child meets the requirements of this paragraph if such child—

(A)(i) at the time adoption proceedings were initiated, met the requirements of section 406(a) or section 407 (as such sections were in effect on [June 1, 1995] *July 16, 1996*) or would have met such requirements except for his removal from the home of a relative (specified in section 406(a) (as so in effect)), either pursuant to a voluntary placement agreement with respect to which Federal payments are provided under section 474 (or 403 (as such section was in effect on [June 1, 1995] *July 16, 1996*)) or as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child,

(ii) meets all of the requirements of title XVI with respect to eligibility for supplemental security income benefits, or

(iii) is 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 his or her minor parent as provided in section 475(4)(B),

(B)(i) would have received aid under the State plan approved under section 402 (as in effect on [June 1, 1995] *July 16, 1996*) in or for the month in which such agreement was entered into or court proceedings leading to the removal of such child from the home were initiated, or

(ii)(I) would have received such aid in or for such month if application had been made therefor, or (II) had been living with a relative specified in section 406(a) (as in effect on [June 1, 1995] *July 16, 1996*) within six months prior to the month in which such agreement was entered into or such proceedings were initiated, and would have received such aid in or for such month if in such month he had been living with such a relative and application therefor had been made, or

(iii) is a child described in subparagraph (A)(ii) or (A)(iii), and

(C) has been determined by the State, pursuant to subsection (c) of this section, to be a child with special needs.

The last sentence of section 472(a) shall apply, for purposes of subparagraph (B), in any case where the child is an alien described in that sentence.

(b)(1) For purposes of title XIX, any child who is described in paragraph (3) is deemed to be a dependent child as defined in section 406 (as in effect as of [June 1, 1995] *July 16, 1996*) and 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.

* * * * * * *

TITLE VII—ADMINISTRATION

* * * * * * *

SOCIAL SECURITY ADVISORY BOARD

Establishment of Board

SEC. 703. (a) * * *

* * * * * * *

Personnel

(i) The Board shall, without regard to the provisions of title 5, United States Code, relating to the competitive service, appoint a Staff Director[, and three professional staff members one of whom shall be appointed from among individuals approved by the members of the Board who are not members of the political party represented by the majority of the Board,] who shall be paid at a rate equivalent to a rate established for the Senior Executive Service under section 5382 of title 5, United States Code. The Board shall appoint such additional personnel as the Board determines to be necessary to provide adequate [clerical] support for the Board, and may compensate such additional personnel without regard to the provisions of title 5, United States Code, relating to the competitive service.

* * * * * * *

TITLE XI—GENERAL PROVISIONS, PEER REVIEW, AND ADMINISTRATIVE SIMPLIFICATION

* * * * * * *

PART A—GENERAL PROVISIONS

* * * * * * *

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 E 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.]

(a) LIMITATION ON TOTAL PAYMENTS TO EACH TERRITORY.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act (except for paragraph (2) of this subsection), the total amount certified by the Secretary of Health and Human Services under titles I, X, XIV, and XVI, under parts A and E 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.

(2) CERTAIN PAYMENTS DISREGARDED.—Paragraph (1) of this subsection shall be applied without regard to any payment made under section 403(a)(2), 403(a)(4), 406, or 413(f).

(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 E of title IV*, including any amount paid to the State under part A of title IV that is transferred in accordance with section 404(d) and expended under the program to which transferred*; exceeds

* * * * * * *

[(e) MAINTENANCE OF EFFORT.—The ceiling amount with respect to a territory shall be reduced for a fiscal year by an amount equal to the amount (if any) by which—

[(1) the total amount expended by the territory under all programs of the territory operated pursuant to the provisions of law specified in subsection (a) (as such provisions were in effect for fiscal year 1995) for fiscal year 1995; exceeds

[(2) the total amount expended by the territory under all programs of the territory that are funded under the provisions of law specified in subsection (a) for the fiscal year that immediately precedes the fiscal year referred to in the matter preceding paragraph (1).]

* * * * * * *

COOPERATIVE RESEARCH OR DEMONSTRATION PROJECTS

SEC. 1110. (a)(1) * * *

* * * * * * *

(3) Grants and payments under contracts or cooperative arrangements under paragraph (1) may be made either in advance or by way of reimbursement, as may be determined by the Secretary *(or the Commissioner, with respect to any jointly financed cooperative agreement or grant concerning titles II or XVI)*; and shall be made in such installments and on such conditions as the Secretary *(or the Commissioner, as applicable)* finds necessary to carry out the purposes of this subsection.

* * * * * * *

TITLE XVI—SUPPLEMENTAL SECURITY INCOME FOR THE AGED, BLIND, AND DISABLED

* * * * * * *

PART A—DETERMINATION OF BENEFITS

ELIGIBILITY FOR AND AMOUNT OF BENEFITS

Definition of Eligible Individual

SEC. 1611. (a) * * *

* * * * * * *

(e)(1)(A) * * *

(B) In any case where an eligible individual or his eligible spouse (if any) is, throughout any month (subject to subparagraph (G)), in a [hospital, extended care facility, nursing home, or intermediate care facility] *medical treatment facility* receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX, or an eligible individual is a child described in section 1614(f)(2)(B), or, in the case of an eligible individual who is a child 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 the benefit under this title for such individual for such month shall be payable (subject to subparagraph (E))—

(i) at a rate not in excess of $360 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who does not have an eligible spouse;

(ii) in the case of an individual who has an eligible spouse, if only one of them is in such a [hospital, home or] facility throughout such month, at a rate not in excess of the sum of—

(I) the rate of $360 per year (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the one who is in such [hospital, home, or] facility), and

(II) the applicable rate specified in subsection (b)(1) (reduced by the amount of any income, not excluded pursuant to section 1612(b), of the other); and

(iii) at a rate not in excess of $720 per year (reduced by the amount of any income not excluded pursuant to section 1612(b)) in the case of an individual who has an eligible spouse, if both of them are in such a [hospital, home, or] facility throughout such month.

For purposes of this subsection, a [hospital, extended care facility, nursing home, or intermediate care facility which is a "medical institution or nursing facility" within the meaning of section 1917(c)] *medical treatment facility that provides services described in section 1917(c)(1)(C)* shall be considered to be receiving payments with respect to an individual under a State plan approved under title XIX during any period of ineligibility of such individual provided for under the State plan pursuant to section 1917(c).

* * * * * * *

(E) Notwithstanding subparagraphs (A) and (B), any individual who—

(i)(I) is an inmate of a public institution, the primary purpose of which is the provision of medical or psychiatric care, throughout any month as described in subparagraph (A), or

(II) is in a [hospital, extended care facility, nursing home, or intermediate care facility] *medical treatment facility* throughout any month as described in subparagraph (B),

(iii) under an agreement of the public institution or the [hospital, extended care facility, nursing home, or intermediate care facility] *medical treatment facility* is permitted to retain any benefit payable by reason of this subparagraph,

may be an eligible individual or eligible spouse for purposes of this title (and entitled to a benefit determined on the basis of the rate applicable under subsection (b)) for the month referred to in subclause (I) or (II) of clause (i) and, if such subclause still applies, for the succeeding month.

* * * * * * *

(G) A person may be an eligible individual or eligible spouse for purposes of this title, and subparagraphs (A) and (B) shall not apply, with respect to any particular month throughout which he or she is an inmate of a public institution the primary purpose of which is the provision of medical or psychiatric care, [or which is a hospital, extended care facility, nursing home, or intermediate care] *or is in a medical treatment* facility receiving payments (with respect to such individual or spouse) under a State plan approved under title XIX *or, in the case of an individual who is a child under the age of 18, under any health insurance policy issued by a private provider of such insurance*, if it is determined in accordance with subparagraph (H) that—

(i) such person's stay in that institution or facility (or in that institution or facility and one or more other such institutions or facilities during a continuous period of institutionalization) is likely (as certified by a physician) not to exceed 3 months, and the particular month involved is one of the first 3 months throughout which such person is in such an institution or facility during a continuous period of institutionalization; and

* * * * * * *

(I)(i) The Commissioner shall enter into an agreement, with any interested State or local [institution described in clause (i) or (ii) of section 202(x)(1)(A) the primary purpose of which is to confine individuals as described in section 202(x)(1)(A),] *institution comprising a jail, prison, penal institution, or correctional facility, or with any other interested State or local institution a purpose of which is to confine individuals as described in section 202(x)(1)(A)(ii),* under which—

(I) the institution shall provide to the Commissioner, on a monthly basis and in a manner specified by the Commissioner, the names, social security account numbers, dates of birth, confinement commencement dates, and, to the extent available to the institution, such other identifying information concerning the inmates of the institution as the Commissioner may require for the purpose of carrying out [paragraph (1)] *this paragraph*; 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 as a result of the application of this subparagraph] *individual who receives in the month preceding the first month throughout which such individual is an inmate of the jail, prison, penal institution, or correctional facility that furnishes information respecting such individual pursuant to subclause (I), or is confined in the institution (that so furnishes such information) as described in section 202(x)(1)(A)(ii), a benefit under this title for such preceding month, and who is determined by the Commissioner to be ineligible for benefits under this title by reason of confinement based on the information provided by such institution*, $400 *(subject to reduction under clause (ii))* if the institution furnishes the information described in subclause (I) to the Commissioner within 30 days after the date such individual becomes an inmate of such institution, or $200 *(subject to reduction under clause (ii))* if the institution furnishes such information after 30 days after such date but within 90 days after such date.

(ii) 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).

[(ii)(I) The provisions of section 552a of title 5, United States Code, shall not apply to any agreement entered into under clause (i) or to information exchanged pursuant to such agreement.

[(II) The Commissioner] *(iii) The Commissioner* is authorized to provide, on a reimbursable basis, information obtained pursuant to agreements entered into under clause (i) to any *agency administering a* Federal or federally-assisted cash, food, or medical assistance program for eligibility purposes.

[(iii)] *(iv)* Payments to institutions required by clause (i)(II) shall be made from funds otherwise available for the payment of benefits under this title and shall be treated as direct spending for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

* * * * * * *

(3) Notwithstanding anything to the contrary in the criteria being used by the Commissioner of Social Security in determining when a husband and wife are to be considered two eligible individuals for purposes of this title and when they are to be considered an eligible individual with an eligible spouse, the State agency administering or supervising the administration of a State plan under any other program under this Act may (in the administration of such plan) treat a husband and wife living in the [same hospital, home, or facility] *same medical treatment facility* described in paragraph (1)(B) as though they were an eligible individual with his or her eligible spouse for purposes of this title (rather than two eligible individuals), after they have continuously lived in the [same such hospital, home, or facility] *same such facility* for 6 months, if treating such husband and wife as two eligible individ-

uals would prevent either of them from receiving benefits or assistance under such plan or reduce the amount thereof.

* * * * * * *

(6) Notwithstanding any other provision of law (other than section 6103 of the Internal Revenue Code of 1986 *and section 1106(c) of this Act*), the Commissioner shall furnish any Federal, State, or local law enforcement officer, upon the written 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 other identifying information as reasonably required by the Commissioner to establish the unique identity of the recipient, and notifies the Commissioner that—

(A) the recipient—

(i) is described in subparagraph (A) or (B) of paragraph (5); and

(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.

* * * * * * *

MEANING OF TERMS

Aged, Blind, or Disabled Individual

SEC. 1614. (a)(1) * * *

* * * * * * *

(3)(A) * * *

* * * * * * *

(H)(i) * * *

* * * * * * *

(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 are age 18 or older.

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.**]**

(I) by applying the criteria used in determining initial eligibility for individuals who are age 18 or older; and

(II) either during the 1-year period beginning on the individual's 18th birthday or, in lieu of a continuing disability review, whenever the Commissioner determines that an individual's case is subject to a redetermination under this clause.

With respect to any redetermination under this clause, paragraph (4) shall not apply.

(iv)(I) [Not] *Except as provided in subclause (VI), 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.

* * * * * * *

(VI) Subclause (I) shall not apply in the case of an individual described in that subclause who, at the time of the individual's initial disability determination, the Commissioner determines has an impairment that is not expected to improve within 12 months after the birth of that individual, and who the Commissioner schedules for a continuing disability review at a date that is after the individual attains 1 year of age.

* * * * * * *

REHABILITATION SERVICES FOR BLIND AND DISABLED INDIVIDUALS

SEC. 1615. (a) * * *

* * * * * * *

(d) The Commissioner of Social Security is authorized to reimburse the State agency administering or supervising the administration of a State plan for vocational rehabilitation services approved under title I of the Rehabilitation Act of 1973 for the costs incurred under such plan in the provision of rehabilitation services to individuals who are referred for such services pursuant to subsection (a)(1), in cases where the furnishing of such services results in the performance by such individuals of substantial gainful activity for a continuous period of nine months, (2) in cases where such individuals receive benefits as a result of section 1631(a)(6) (except that no reimbursement under this subsection shall be made for services furnished to any individual receiving such benefits for any period after the close of such individual's ninth consecutive month of substantial gainful activity or the close of the month with which his or her entitlement to such benefits ceases, whichever first occurs), and (3) in cases where such individuals, without good cause, refuse to continue to accept vocational rehabilitation services or fail to cooperate in such a manner as to preclude their successful rehabilitation. The determination that the vocational rehabilitation services contributed to the successful return of an individual to substantial gainful activity, the determination that an individual, without good cause, refused to continue to accept vocational rehabilitation services or failed to cooperate in such a manner as to preclude successful rehabilitation, and the determination of the amount of costs to be reimbursed under this subsection shall be made by the Commissioner of Social Security in accordance with criteria determined by [him] *the Commissioner* in the same manner as under section 222(d)(1).

* * * * * * *

PART B—PROCEDURAL AND GENERAL PROVISIONS

PAYMENTS AND PROCEDURES

Payment of Benefits

SEC. 1631. (a)(1) Benefits under this title shall be paid at such time or times and (subject to paragraph (10)) in such installments as will best effectuate the purposes of this title, as determined under regulations (and may in any case be paid less frequently than monthly where the amount of the monthly benefit would not exceed $10).

(2)(A) * * *

* * * * * * *

(F)(i) * * *

(ii)(I) * * *

* * * * * * *

(III) The use of funds from an account established under clause (i) in any manner not authorized by this clause—

(aa) by a representative payee shall be considered a misapplication of benefits for all purposes of this paragraph, and any representative payee who knowingly misapplies benefits from such an account shall be liable to the Commissioner in an amount equal to the total amount of such benefits; and

(bb) by an eligible individual who is his or her own payee shall be considered a misapplication of benefits for all purposes of this paragraph and [the total amount of such benefits so used shall be considered to be the uncompensated value of a disposed resource and shall be subject to the provisions of section 1613(c)] *in any case in which the individual knowingly misapplies benefits from such an account, the Commissioner shall reduce future benefits payable to such individual (or to such individual and his spouse) by an amount equal to the total amount of such benefits so misapplied*.

(IV) This clause shall continue to apply to funds in the account after the child has reached age 18, regardless of whether benefits are paid directly to the beneficiary or through a representative payee.

[(iii) The representative payee may deposit into the account established pursuant to clause (i)—

[(I) past-due benefits payable to the eligible individual in an amount less than that specified in clause (i)(II), and

[(II) any other funds representing an underpayment under this title to such individual, provided that the amount of such underpayment is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual.]

(iii) The representative payee may deposit into the account established under clause (i) any other funds representing past due benefits under this title to the eligible individual, provided that the amount of such past due benefits is equal to or exceeds the maximum monthly benefit payable under this title to an eligible individual (including State supplementary payments made by the Commis-

sioner pursuant to an agreement under section 1616 or section 212(b) of Public Law 93–66).

* * * * * * *

(e)(1) * * *

* * * * * * *

(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**]** *not lawfully present 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**]** *not lawfully present in the United States*.

* * * * * * *

PERSONAL RESPONSIBILITY AND WORK OPPORTUNITY RECONCILIATION ACT OF 1996

* * * * * * *

TITLE I—BLOCK GRANTS FOR TEMPORARY ASSISTANCE FOR NEEDY FAMILIES

* * * * * * *

SEC. 103. BLOCK GRANTS TO STATES.

(a) IN GENERAL.—Part A of title IV (42 U.S.C. 601 et seq.) is amended—

(1) by striking all that precedes section 418 (as added by section **[**603(b)(2)**]** *603(b)* 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—

"(1) * * *

* * * * * * *

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

* * * * * * *

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)(7)(C)] *408(a)(7)(C)* of such Act.

* * * * * * *

SEC. 108. CONFORMING AMENDMENTS TO THE SOCIAL SECURITY ACT.

(a) * * *

* * * * * * *

(c) AMENDMENTS TO PART D OF TITLE IV.—

(1) * * *

* * * * * * *

(8) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is amended in the matter following subparagraph (B)—

(A) * * *

* * * * * * *

(C) by striking "to have good cause for refusing to cooperate under section 402(a)(26)" *and all that follows through "the best interests of such child to do so"* and inserting "to qualify for a good cause or other exception to cooperation pursuant to section 454(29)".

* * * * * * *

(13) Section 456(a)(1) (42 U.S.C. 656(a)(1)) is amended by striking "under section 402(a)(26)" *and inserting "pursuant to section 408(a)(3)"*.

* * * * * * *

SEC. 109. CONFORMING AMENDMENTS TO THE FOOD STAMP ACT OF 1977 AND RELATED PROVISIONS.

(a) * * *

* * * * * * *

(f) Section 5(h)(1) of the Agriculture and Consumer Protection Act of 1973 (Public Law [93–186] *93–86*; 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".

* * * * * * *

SEC. 110. CONFORMING AMENDMENTS TO OTHER LAWS.

(a) * * *

* * * * * * *

(l) The Internal Revenue Code of 1986 (26 U.S.C. 1 et seq.) is amended—

(1) * * *

* * * * * * *

(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)"; *and*

[(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)] *(7)* 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".

* * * * * * *

SEC. 112. 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) * * *

* * * * * * *

(5) in subsection (c)—

(A) in paragraph (1)(C), by striking "aid to families with dependent children under title IV of the Social Security Act" and inserting "assistance under a State program funded *under* 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 *under* part A of title IV of the Social Security Act";

* * * * * * *

SEC. 115. DENIAL OF ASSISTANCE AND BENEFITS FOR CERTAIN DRUG-RELATED CONVICTIONS.

(a) * * *

* * * * * * *

(d) LIMITATIONS.—

(1) * * *

(2) INAPPLICABILITY TO CONVICTIONS OCCURRING ON OR BEFORE ENACTMENT.—Subsection (a) shall not apply to [convictions] *a conviction if the conviction is for conduct* occurring on or before the date of the enactment of this Act.

* * * * * * *

SEC. 116. EFFECTIVE DATE; TRANSITION RULE.

(a) EFFECTIVE DATES.—

(1) IN GENERAL.—Except as otherwise provided in this title, this title and the amendments made by this title shall take effect on July 1, 1997.

(2) DELAYED EFFECTIVE DATE FOR CERTAIN PROVISIONS.—Notwithstanding any other provision of this section *(but subject to subsection (b)(1)(A)(ii))*, paragraphs (2), (3), (4), (5), (8), and (10) of section 409(a) and section 411(a) of the Social Security Act (as added by the amendments made by section 103(a) of this Act) shall not take effect with respect to a State until, and shall apply only with respect to conduct that occurs on or after, the later of—

(A) July 1, 1997; or

(B) the date that is 6 months after the date the Secretary of Health and Human Services receives from the State a plan described in section 402(a) of the Social Security Act (as added by such amendment).

* * * * * * *

"(6) RESEARCH, EVALUATIONS, AND NATIONAL STUDIES.—Section 413 of the Social Security Act, as added by the amendment made by section 103(a) of this Act, shall take effect on the date of the enactment of this Act.".

(b) TRANSITION RULES.—Effective on the date of the enactment of this Act:

(1) STATE OPTION TO ACCELERATE EFFECTIVE DATE.—

(A) IN GENERAL.—If 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(a)(1) of this Act), then—

(i) * * *

(ii) during the period that begins on the date of such receipt and ends on [June 30, 1997] *the later of June 30, 1997, or the day before the date described in subsection (a)(2)(B) of this section*, there shall remain in effect with respect to the State—

(I) section 403(h) of the Social Security Act (as in effect on September 30, 1995); and

(II) all State reporting requirements under parts A and F of title IV of the Social Security Act (as in effect on September 30, 1995), modified by the Secretary as appropriate, taking into account the State program under part A of title IV of the Social Security Act (as in effect pursuant to the amendments made by such section 103(a)).

* * * * * * *

TITLE II—SUPPLEMENTAL SECURITY INCOME

* * * * * * *

Subtitle A—Eligibility Restrictions

* * * * * * *

SEC. 203. TREATMENT OF PRISONERS.

(a) * * *

(b) STUDY OF OTHER POTENTIAL IMPROVEMENTS IN THE COLLECTION OF INFORMATION RESPECTING PUBLIC INMATES.—

(1) STUDY.—The Commissioner of Social Security shall conduct a study of the desirability, feasibility, and cost of—

(A) establishing a system under which Federal, State, and local courts would furnish to the Commissioner such information respecting court orders by which individuals are confined in jails, prisons, or other public penal, correctional, or medical facilities as the Commissioner may require for the purpose of carrying out [section 1611(e)(1)] *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 agreements with the Commissioner under [section 1611(e)(1)(I)] *section 202(x)(3)(B) or 1611(e)(1)(I)* of the Social Security Act furnish the information required by such agreements to the Commissioner by means of an electronic or other sophisticated data exchange system.

* * * * * * *

(c) ADDITIONAL REPORT TO CONGRESS.—Not later than October 1, 1998, the Commissioner of Social Security shall provide 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 to the Commissioner under [section 1611(e)(1)(I) of the Social Security Act (as added by this section).] *sections 202(x)(3)(B) and 1611(e)(1)(I) of the Social Security Act.*

* * * * * * *

Subtitle B—Benefits for Disabled Children

SEC. 211. DEFINITION AND ELIGIBILITY RULES.

(a) * * *

* * * * * * *

(c) MEDICAL IMPROVEMENT REVIEW STANDARD AS IT APPLIES TO INDIVIDUALS UNDER THE AGE OF 18.—Section 1614(a)(4) (42 U.S.C. [1382(a)(4)] *1382c(a)(4)*) is amended—

(1) * * *

* * * * * * *

(d) EFFECTIVE DATES, ETC.—

(1) * * *

(2) APPLICATION TO CURRENT RECIPIENTS.—

(A) ELIGIBILITY REDETERMINATIONS.—During the period beginning on the date of the enactment of this Act and ending on the date which is [1 year] *18 months* after such date of enactment, 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 disability under title XVI of the Social Security Act as of the date of the enactment of this Act and whose eligibility for such benefits may terminate by reason of the provisions of, or amendments made by, subsections (a) and (b) of this section. With respect to any redetermination under this subparagraph—

(i) * * *

* * * * * * *

TITLE III—CHILD SUPPORT

* * * * * * *

Subtitle E—Program Administration and Funding

* * * * * * *

SEC. 344. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

(1) IN GENERAL.—Section 454(16) (42 U.S.C. 654(16)) is amended—

(A) * * *

* * * * * * *

(F) by striking "(including" *the first place such term appears* and all that follows and inserting a semicolon.

* * * * * * *

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—

(1) * * *

(2) TEMPORARY LIMITATION ON PAYMENTS UNDER SPECIAL FEDERAL MATCHING RATE.—

(A) IN GENERAL.—The Secretary of Health and Human Services may not pay more than $400,000,000 in the aggregate under section 455(a)(3)(B) of the Social Security Act for fiscal years 1996 through 2001.

(B) ALLOCATION OF LIMITATION AMONG STATES.—The total amount payable to a State *or a system described in subparagraph (C)* under section 455(a)(3)(B) of such Act for fiscal years 1996 through 2001 shall not exceed the limita-

tion determined for the State *or system* by the Secretary of Health and Human Services in regulations.

(C) ALLOCATION FORMULA.—The regulations referred to in subparagraph (B) shall prescribe a formula for allocating the amount specified in subparagraph (A) among States with plans approved under part D of title IV of the Social Security [Act, which shall take into account—

[(i) the relative size of State caseloads under such part; and

[(ii) the level of automation needed to meet the automated data processing requirements of such part.] *Act, and among systems that have been approved by the Secretary to receive enhanced funding pursuant to the Family Support Act of 1988 (Public Law 100–485; 102 Stat. 2343) for the purpose of developing a system that meets the requirements of sections 454(16) (as in effect on and after September 30, 1995) and 454A, including systems that have received funding for such purpose pursuant to a waiver under section 1115(a), which shall take into account—*

(i) the relative size of such State and system caseloads under part D of title IV of the Social Security Act; and

(ii) the level of automation needed to meet the automated data processing requirements of such part.

* * * * * * *

TITLE IV—RESTRICTING WELFARE AND PUBLIC BENEFITS FOR ALIENS

* * * * * * *

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) * * *

* * * * * * *

(3) Subsection (a) shall not apply to any benefit payable under title XVIII of the Social Security Act (relating to the medicare program) to an alien who is lawfully present in the United States as determined by the Attorney General and, with respect to benefits payable under part A of such title, who was authorized to be employed with respect to any wages attributable to employment which are counted for purposes of eligibility for such benefits.

(4) Subsection (a) shall not apply to any benefit payable under the Railroad Retirement Act of 1974 or the Railroad Unemployment Insurance Act to an alien who is lawfully present in the United States as determined by the Attorney General or to an alien residing outside the United States.

(c) FEDERAL PUBLIC BENEFIT DEFINED.—

(1) * * *

(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 to a citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99–239 or 99–658 (or a successor provision) is in effect*; or

* * * * * * *

SEC. 402. LIMITED ELIGIBILITY OF 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⟧ *section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)*.

* * * * * * *

(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*, 1101, or 1301, or as described in section 107* of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage *and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code*,

(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) *or the*

unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code.

(b) LIMITED ELIGIBILITY FOR DESIGNATED FEDERAL PROGRAMS.—

(1) IN GENERAL.—Notwithstanding any other provision of law and except as provided in section 403 and paragraph (2), a State is authorized to determine the eligibility of an alien who is a qualified alien (as defined in section 431) for any designated Federal program (as defined in paragraph (3)).

(2) EXCEPTIONS.—Qualified aliens under this paragraph shall be eligible for any designated Federal program.

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

(i) An alien who is admitted to the United States as a refugee under section 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] *section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)* until 5 years after such withholding.

* * * * * * *

(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*, 1101, or 1301, or as described in section 107* of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage *and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code*,

(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) *or the unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code*.

* * * * * * *

SEC. 403. FIVE-YEAR LIMITED ELIGIBILITY OF QUALIFIED ALIENS FOR FEDERAL MEANS-TESTED PUBLIC BENEFIT.

(a) * * *

(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] *section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)*.

(2) VETERAN AND ACTIVE DUTY EXCEPTION.—An alien who is lawfully residing in any State and is—

(A) a veteran (as defined in section 101*, 1101, or 1301, or as described in section 107* of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage *and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code*,

(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) *or the unremarried surviving spouse of an individual described in clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code*.

* * * * * * *

(d) SPECIAL RULE FOR REFUGEE AND ENTRANT ASSISTANCE FOR CUBAN AND HAITIAN ENTRANTS.—The limitation under subsection (a) shall not apply to refugee and entrant assistance activities, authorized by title IV of the Immigration and Nationality Act and [section 501 of the Refugee] *section 501(a) of the Refugee* Education Assistance Act of 1980, for Cuban and Haitian entrants as defined in [section 501(e)(2)[*section 501(e)* of the Refugee Education Assistance Act of 1980.

* * * * * * *

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) * * *

* * * * * * *

(c) STATE OR LOCAL PUBLIC BENEFIT DEFINED.—

(1) Except as provided in paragraphs (2) and (3), for purposes of this subtitle the term "State or local public benefit" means—

(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 to a citizen of a freely associated state, if section 141 of the applicable compact of free association approved in Public Law 99–239 or 99–658 (or a successor provision) is in effect*; or

* * * * * * *

(3) Such term does not include any Federal public benefit under section [4001(c)] *401(c)*.

* * * * * * *

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 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] *section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)* until 5 years after such [with-holding] *withholding*.

* * * * * * *

(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*, 1101, or 1301, or as described in section 107* of title 38, United States Code) with a discharge characterized as an honorable discharge and not on account of alienage *and who fulfills the minimum active-duty service requirements of section 5303A(d) of title 38, United States Code*,

(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) *or the unremarried surviving spouse of an individual described in*

clause (i) or (ii) who is deceased if the marriage fulfills the requirements of section 1304 of title 38, United States Code.

* * * * * * *

Subtitle C—Attribution of Income and Affidavits of Support

SEC. 421. FEDERAL ATTRIBUTION OF SPONSOR'S INCOME AND RESOURCES TO ALIEN.

(a) * * *

* * * * * * *

(f) SPECIAL RULE FOR BATTERED SPOUSE AND CHILD.—

(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding any other provision of this section, subsection (a) shall not apply to benefits—

(A) during a 12 month period if the alien demonstrates that (i) the alien has been battered or subjected to extreme cruelty in the United States by a spouse or a 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 to or acquiesced to such battery or cruelty, **[**or**]** (ii) the alien's child has been battered or subjected to extreme cruelty in the United States by the spouse or parent of the alien (without the active participation of the alien in the battery or cruelty), or by a member of the spouse's 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 the battery or cruelty described in clause (i) or (ii)**]** *or (iii) the alien is a child whose parent (who resides in the same household as the alien child) has been battered or subjected to extreme cruelty in the United States by that parent's spouse, or by a member of the spouse's family residing in the same household as the parent and the spouse consented to, or acquiesced in, such battery or cruelty, and the battery or cruelty described in clause (i), (ii), or (iii)* (in the opinion of the agency providing such public benefits, which opinion is not subject to review by any court) has a substantial connection to the need for the public benefits applied for; and

* * * * * * *

SEC. 422. AUTHORITY FOR STATES TO PROVIDE FOR ATTRIBUTION OF SPONSORS INCOME AND RESOURCES TO THE ALIEN WITH RESPECT TO STATE PROGRAMS.

(a) OPTIONAL APPLICATION TO STATE PROGRAMS.—Except as provided in subsection (b), in determining the eligibility and the amount of benefits of an alien for any State public **[**benefits (as defined in section 412(c)),**]** *benefits,* the State or political subdivision that offers the benefits is authorized to provide that the income and resources of the alien shall be deemed to include—

(1) the income and resources of any individual who executed an affidavit of support pursuant to section 213A of the Immi-

gration and Nationality Act (as added by section 423 and as amended by section 551(a) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996) on behalf of such alien, and

(2) the income and resources of the spouse (if any) of the individual.

* * * * * * *

[Subtitle D—General Provisions]

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) * * *

* * * * * * *

(5) an alien whose deportation is being withheld under **[**section 243(h) of such Act**]** *section 243(h) of such Act (as in effect immediately before the effective date of section 307 of division C of Public Law 104–208) or section 241(b)(3) of such Act (as amended by section 305(a) of division C of Public Law 104–208)*, or

* * * * * * *

(c) TREATMENT OF CERTAIN BATTERED ALIENS AS QUALIFIED ALIENS.—For purposes of this title, the term 'qualified alien' includes—

(1) an alien who—

(A) has been battered or subjected to extreme cruelty in the United States by a spouse or a 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 to, or acquiesced in, such battery or cruelty, but only if (in the opinion of the **[**Attorney General, which opinion is not subject to review by any court)**]** *agency providing such benefits)* there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) has been approved or has a petition pending which sets forth a prima facie case for—

(i) status as a spouse or a child of a United States citizen pursuant to clause (ii), (iii), or (iv) of section 204(a)(1)(A) of the Immigration and Nationality Act,

(ii) classification pursuant to clause (ii) or (iii) of section 204(a)(1)(B) of the Act,

(iii) cancellation of removal under section 240A of such Act**[**, or**]** *(as in effect prior to April 1, 1997),*

(iv) status as a spouse or child of a United States citizen pursuant to clause (i) of section 204(a)(1)(A) of such Act, or classification pursuant to clause (i) of section 204(a)(1)(B) of such Act; [or]

(v) cancellation of removal pursuant to section 240A(b)(2) of such Act;

(2) an alien—

(A) whose child has been battered or subjected to extreme cruelty in the United States by a spouse or a parent of the alien (without the active participation of the alien in the battery or cruelty), 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, and the alien did not actively participate in such battery or cruelty, but only if (in the opinion of the [Attorney General, which opinion is not subject to review by any court)] *agency providing such benefits)* there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) who meets the requirement of [clause (ii) of subparagraph (A).] *subparagraph (B) of paragraph (1); or*

(3) an alien child who—

(A) resides in the same household as a parent who has been battered or subjected to extreme cruelty in the United States by that parent's spouse or by a member of the spouse's family residing in the same household as the parent and the spouse consented or acquiesced to such battery or cruelty, but only if (in the opinion of the agency providing such benefits) there is a substantial connection between such battery or cruelty and the need for the benefits to be provided; and

(B) who meets the requirement of subparagraph (B) of paragraph (1).

This subsection shall not apply to an alien during any period in which the individual responsible for such battery or cruelty resides in the same household or family eligibility unit as the individual subjected to such battery or cruelty.

After consultation with the Secretaries of Health and Human Services, Agriculture, and Housing and Urban Development, the Commissioner of Social Security, and with the heads of such Federal agencies administering benefits as the Attorney General considers appropriate, the Attorney General shall issue guidance (in the Attorney General's sole and unreviewable discretion) for purposes of this subsection and section 421(f), concerning the meaning of the terms "battery" and "extreme cruelty", and the standards and methods to be used for determining whether a substantial connection exists between battery or cruelty suffered and an individual's need for benefits under a specific Federal, State, or local program.

SEC. 432. VERIFICATION OF ELIGIBILITY FOR FEDERAL PUBLIC BENEFITS.

(a) IN GENERAL.—(1) 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. *Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General of the United States, after consultation with the Secretary of Health and Human Services, shall issue interim verification guidance.*

* * * * * * *

(3) Not later than 90 days after the date of the enactment of the Welfare Reform Technical Corrections Act of 1997, the Attorney General shall promulgate regulations which set forth the procedures by which a State or local government can verify whether an alien applying for a State or local public benefit is a qualified alien, a nonimmigrant under the Immigration and Nationality Act, or an alien paroled into the United States under section 212(d)(5) of the Immigration and Nationality Act for less than 1 year, for purposes of determining whether the alien is ineligible for benefits under section 411 of this Act.

* * * * * * *

SEC. 433. STATUTORY CONSTRUCTION.

(a) * * *

(b) BENEFIT ELIGIBILITY LIMITATIONS APPLICABLE ONLY WITH RESPECT TO ALIENS PRESENT IN THE UNITED STATES.—Notwithstanding any other provision of this title, the limitations on eligibility for benefits under this title shall not apply to eligibility for benefits of aliens who are not residing, or present, in the United States with respect to—

(1) wages, pensions, annuities, and other earned payments to which an alien is entitled resulting from employment by, or on behalf of, a Federal, State, or local government agency which was not prohibited during the period of such employment or service under section 274A or other applicable provision of the Immigration and Nationality Act; or

benefits under laws administered by the Secretary of Veterans Affairs.

[(b)**]** *(c)* 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)**]** *(d)* 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. 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,] *before the date on which the alien attains age 18,* and

(2) all of the qualifying quarters worked by a spouse of such alien during their marriage and the alien remains married to such spouse or such spouse is deceased.

No such qualifying quarter of coverage that is creditable under title II of the Social Security Act for any period beginning after December 31, 1996, may be credited to an alien under paragraph (1) or (2) if the parent or spouse (as the case may be) of such alien received any Federal means-tested public benefit (as provided under section 403) during the period for which such qualifying quarter of coverage is so credited. *Notwithstanding section 6103 of the Internal Revenue Code of 1986, the Commissioner of Social Security is authorized to disclose quarters of coverage information concerning an alien and an alien's spouse or parents to a government agency for the purposes of this title.*

* * * * * * *

[Subtitle F—Earned Income Credit Denied to Unauthorized Employees]

Subtitle F—Earned Income Credit Denied to Unauthorized Employees

SEC. 451. EARNED INCOME CREDIT DENIED TO INDIVIDUALS NOT AUTHORIZED TO BE EMPLOYED IN THE UNITED STATES.

(a) * * *

* * * * * * *

SECTION 105 OF THE CONTRACT WITH AMERICA ADVANCEMENT ACT OF 1996

SEC. 105. DENIAL OF DISABILITY BENEFITS TO DRUG ADDICTS AND ALCOHOLICS.

(a) AMENDMENTS RELATING TO TITLE II DISABILITY BENEFITS.—

(1) * * *

* * * * * * *

(5) EFFECTIVE DATES.—

(A) The amendments made by paragraphs (1) and (4) shall apply to any individual who applies for, or whose claim is finally adjudicated [by the Commissioner of Social Security] with respect to, benefits under title II of the Social Security Act based on disability on or after the date of the enactment of this Act, and, in the case of any individual who has applied for, and whose claim has been finally adjudicated [by the Commissioner] with respect to,

such benefits before such date of enactment, such amendments shall apply only with respect to such benefits for months beginning on or after January 1, 1997.

[(B) The amendments made by paragraphs (2) and (3) shall apply with respect to benefits for which applications are filed after the third month following the month in which this Act is enacted.]

(B) The amendments made by paragraphs (2) and (3) shall take effect on July 1, 1996, with respect to any individual—

(i) whose claim for benefits is finally adjudicated on or after the date of the enactment of this Act, or

(ii) whose entitlement to benefits is based upon an entitlement redetermination made pursuant to subparagraph (C).

(C) Within 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify each individual who is entitled to monthly insurance benefits under title II of the Social Security Act based on disability for the month in which this Act is enacted and whose entitlement to such benefits would terminate by reason of the amendments made by this subsection. If such an individual reapplies for benefits under title II of such Act (as amended by this Act) based on disability within 120 days after the date of the enactment of this Act, the Commissioner of Social Security shall, not later than January 1, 1997, complete the entitlement redetermination (including a new medical determination) with respect to such individual pursuant to the procedures of such title.

(D) For purposes of this paragraph, an individual's claim, with respect to benefits under title II of the Social Security Act based on disability, which has been denied in whole before the date of the enactment of this Act, may not be considered to be finally adjudicated before such date if, on or after such date—

(i) there is pending a request for either administrative or judicial review with respect to such claim, or

(ii) there is pending, with respect to such claim, a readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

(E) Notwithstanding the provisions of this paragraph, with respect to any individual for whom the Commissioner of Social Security does not perform the entitlement redetermination before the date prescribed in subparagraph (C), the Commissioner shall perform such entitlement redetermination in lieu of a continuing disability review whenever the Commissioner determines that the individual's entitlement is subject to redetermination based on the preceding provisions of this paragraph, and the provisions of section 223(f) of the Social Security Act shall not apply to such redetermination.

(b) AMENDMENTS RELATING TO SSI BENEFITS.—

(1) * * *

* * * * * * *

(5) EFFECTIVE DATES.—

(A) The amendments made by paragraphs (1) and (4) shall apply to any individual who applies for, or whose claim is finally adjudicated [by the Commissioner of Social Security] with respect to, supplemental security income benefits under title XVI of the Social Security Act based on disability on or after the date of the enactment of this Act, and, in the case of any individual who has applied for, and whose claim has been finally adjudicated [by the Commissioner] with respect to, such benefits before such date of enactment, such amendments shall apply only with respect to such benefits for months beginning on or after January 1, 1997.

[(B) The amendments made by paragraphs (2) and (3) shall apply with respect to supplemental security income benefits under title XVI of the Social Security Act for which applications are filed after the third month following the month in which this Act is enacted.]

(B) The amendments made by paragraphs (2) and (3) shall take effect on July 1, 1996, with respect to any individual—

(i) whose claim for benefits is finally adjudicated on or after the date of the enactment of this Act, or

(ii) whose eligibility for benefits is based upon an eligibility redetermination made pursuant to subparagraph (C).

(C) Within 90 days after the date of the enactment of this Act, the Commissioner of Social Security shall notify each individual who is eligible for supplemental security income benefits under title XVI of the Social Security Act for the month in which this Act is enacted and whose eligibility for such benefits would terminate by reason of the amendments made by this subsection. If such an individual reapplies for supplemental security income benefits under title XVI of such Act (as amended by this Act) within 120 days after the date of the enactment of this Act, the Commissioner of Social Security shall, not later than January 1, 1997, complete the eligibility redetermination (including a new medical determination) with respect to such individual pursuant to the procedures of such title.

(D) For purposes of this paragraph, an individual's claim, with respect to supplemental security income benefits under title XVI of the Social Security Act based on disability, which has been denied in whole before the date of the enactment of this Act, may not be considered to be finally adjudicated before such date if, on or after such date—

(i) there is pending a request for either administrative or judicial review with respect to such claim, or

(ii) there is pending, with respect to such claim, a readjudication by the Commissioner of Social Security pursuant to relief in a class action or implementation by the Commissioner of a court remand order.

(E) Notwithstanding the provisions of this paragraph, with respect to any individual for whom the Commissioner does not perform the eligibility redetermination before the date prescribed in subparagraph (C), the Commissioner shall perform such eligibility redetermination in lieu of a continuing disability review whenever the Commissioner determines that the individual's eligibility is subject to redetermination based on the preceding provisions of this paragraph, and the provisions of section 1614(a)(4) of the Social Security Act shall not apply to such redetermination.

[(D)**]** *(F)* For purposes of this paragraph, the phrase "supplemental security income 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.

* * * * * * *

SECTION 201 OF THE SOCIAL SECURITY INDEPENDENCE AND PROGRAM IMPROVEMENTS ACT OF 1994

SEC. 201. RESTRICTIONS ON PAYMENT OF BENEFITS BASED ON DISABILITY TO SUBSTANCE ABUSERS.

(a) AMENDMENTS RELATING TO BENEFITS BASED ON DISABILITY UNDER TITLE II OF THE SOCIAL SECURITY ACT.—

(1) * * *

* * * * * * *

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) * * *

[(B) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary's activities under paragraph (5) of section 225(c) of the Social Security Act (as amended by subparagraph (A)). Such report shall include the number and percentage of individuals referred to in such paragraph who have not received regular drug testing since the effective date of such paragraph.**]**

* * * * * * *

(b) AMENDMENTS RELATING TO SUPPLEMENTAL SECURITY INCOME BENEFITS UNDER TITLE XVI OF THE SOCIAL SECURITY ACT.—

(1) * * *

* * * * * * *

(3) NONPAYMENT OR TERMINATION OF BENEFITS.—

(A) * * *

(B) REFERRAL, MONITORING, AND TREATMENT.—

(i) IN GENERAL.—Section 1611(e)(3)(B) of such Act (42

[(ii) REPORT.—Not later than December 31, 1996, the Secretary shall submit to the Committee on Ways

and Means of the House of Representatives and the Committee on Finance of the Senate a full and complete report on the Secretary's activities under section 1611(e)(3)(B) of the Social Security Act. The report shall include the number and percentage of individuals referred to in such paragraph who have not received regular drug testing since the effective date of the amendments made by clause (i) of this subparagraph.]

* * * * * * *

SECTION 505 OF THE SOCIAL SECURITY DISABILITY AMENDMENTS OF 1980

AUTHORITY FOR DEMONSTRATION PROJECTS

SEC. 505. (a)(1) The Commissioner of Social Security shall develop and carry out experiments and demonstration projects designed to determine the relative advantages and disadvantages of (A) various alternative methods of treating the work activity of disabled beneficiaries under the old-age, survivors, and disability insurance program, including such methods as a reduction in benefits based on earnings, designed to encourage the return to work of disabled beneficiaries and (B) altering other limitations and conditions applicable to such disabled beneficiaries (including, but not limited to, lengthening the trial work period, altering the 24-month waiting period for medicare benefits, altering the manner in which such program is administered, earlier referral of beneficiaries for rehabilitation, and greater use of employers and others to develop, perform, and otherwise stimulate new forms of rehabilitation), to the end that savings will accrue to the Trust Funds, or to otherwise promote the objectives or facilitate the administration of title II of the Social Security Act (subchapter II of this chapter). *The Commissioner may expand the scope of any such experiment or demonstration project to include any group of applicants for benefits under such program with impairments which may reasonably be presumed to be disabling for purposes of such experiment or demonstration project, and may limit any such experiment or demonstration project to any such group of applicants, subject to the terms of such experiment or demonstration project which shall define the extent of any such presumption.*

* * * * * * *

(3) In the case of any experiment or demonstration project under paragraph (1) which is initiated before June 10, [1996] *1999*, the Commissioner may waive compliance with the benefit requirements of title II of the Social Security Act (subchapter II of this chapter), and the Secretary of Health and Human Services may (upon the request of the Commissioner) waive compliance with the benefits requirements of title XVIII of such Act (subchapter XVIII of this chapter), insofar as is necessary for a thorough evaluation of the alternative methods under consideration. No such experiment or project shall be actually placed in operation unless at least ninety days prior thereto a written report, prepared for purposes of notifi-

cation and information only and containing a full and complete description thereof, has been transmitted by the Commissioner to the Committee on Ways and Means of the House of Representatives and to the Committee on Finance of the Senate. Periodic reports on the progress of such experiments and demonstration projects shall be submitted by the Commissioner to such committees. When appropriate, such reports shall include detailed recommendations for changes in administration or law, or both, to carry out the objectives stated in paragraph (1).

(4) On or before June 9 in 1986 and each of the succeeding years through 1995, *and on or before October 1, 1998,* the Commissioner shall submit to the Congress an interim report on the progress of the experiments and demonstration projects carried out under this subsection together with any related data and materials which the Commissioner may consider appropriate.

* * * * * * *

(c) The Secretary shall submit to the Congress a final report with respect to all experiments and demonstration projects carried out under this section (other than demonstration projects conducted under section 5120 of the Omnibus Budget Reconciliation of 1990) no later than October 1, **[**1996**]** *1999*.

* * * * * * *

SECTION 552a OF TITLE 5, UNITED STATES CODE

§ 552a. Records maintained on individuals

(a) DEFINITIONS.—For purposes of this section—

(1) * * *

* * * * * * *

(8) the term "matching program"—

(A) * * *

* * * * * * *

(B) but does not include—

(i) * * *

* * * * * * *

(v) matches—

(I) using records predominantly relating to Federal personnel, that are performed for routine administrative purposes (subject to guidance provided by the Director of the Office of Management and Budget pursuant to subsection (v)); or

(II) conducted by an agency using only records from systems of records maintained by that agency;

if the purpose of the match is not to take any adverse financial, personnel, disciplinary, or other adverse action against Federal personnel **[**or**]***;*

(vi) matches performed for foreign counterintelligence purposes or to produce background checks for security clearances of Federal personnel or Federal contractor personnel; *or*

(vii) matches performed pursuant to section 202(x), 205(j), 1611(e)(1), or 1631(a)(2) of the Social Security Act;

* * * * * * *

SECTION 1738B OF TITLE 28, UNITED STATES CODE

§ 1738B. Full faith and credit for child support orders

(a) * * *

* * * * * * *

(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If 1 or more child support orders have been issued with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

(1) * * *

* * * * * * *

(4) If 2 or more courts have issued child support orders for the same obligor and child, and none of the courts would have continuing, exclusive jurisdiction under this section, [a court may isse a child support order, which must be recognized.] *a court having jurisdiction over the parties shall 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 *under subsection (d)*.

* * * * * * *

SECTION 215 OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES APPROPRIATIONS ACT, 1997

[SEC. 215. Section 345 of Public Law 104–193 is amended by replacing "section 457(a)" wherever it appears with "a plan approved under this part". Amounts available under such section shall be calculated as though such section were effective October 1, 1995.]

SEC. 215. Sections 452(j) and 453(o) of the Social Security Act (42 U.S.C. 652(j) and 653(o)), as amended by section 345 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2237) are each amended by striking "section 457(a)" and inserting "a plan approved under this part". Amounts available under such sections 452(j) and 453(o) shall be calculated as though the amendments made by this section were effective October 1, 1995.

SECTION 27 OF THE UNITED STATES HOUSING ACT OF 1937

SEC. 27. 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] *not lawfully present 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] *not lawfully present in the United States*.

SECTION 384 OF THE ILLEGAL IMMIGRATION REFORM AND IMMIGRANT RESPONSIBILITY ACT OF 1996

SEC. 384. PENALTIES FOR DISCLOSURE OF INFORMATION.

(a) * * *

(b) EXCEPTIONS.—

(1) * * *

* * * * * * *

(5) The Attorney General is authorized to disclose information, to Federal, State, and local public and private agencies providing benefits, to be used solely in making determinations of eligibility for benefits pursuant to section 431(c) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

* * * * * * *

SECTION 204 OF THE SOCIAL SECURITY ACT AMENDMENTS OF 1994

SEC. 204. STATES REQUIRED TO REPORT ON MEASURES TAKEN TO COMPLY WITH THE INDIAN CHILD WELFARE ACT.

(a) STATE PLAN REQUIREMENT.—Section 422(b) (42 U.S.C. 622(b)), as amended by section 202(a), is amended—

(1) by striking "and" at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) *(as added by such section 202(a))* and inserting "; and"; and

* * * * * * *

CHILD CARE AND DEVELOPMENT BLOCK GRANT ACT OF 1990

SEC. 658A. SHORT TITLE AND GOALS.

(a) SHORT TITLE.—This subchapter may be cited as the "Child Care and Development Block Grant Act of 1990".

* * * * * * *

SEC. 658E. APPLICATION AND PLAN.

(a) * * *

* * * * * * *

(c) REQUIREMENTS OF A PLAN.—

(1) LEAD AGENCY.—The State plan shall identify the lead agency designated under section 658D.

(2) POLICIES AND PROCEDURES.—The State plan shall:

(A) * * *

* * * * * * *

(E) COMPLIANCE WITH STATE LICENSING REQUIREMENTS.—

(i) IN GENERAL.—Certify that the State has in effect licensing requirements applicable to child care services provided within the State, and provide a detailed description of such requirements and of how such requirements are effectively enforced. Nothing in the preceding sentence shall be construed to require that licensing requirements be applied to specific types of providers of child care services.

(ii) INDIAN TRIBES AND TRIBAL ORGANIZATIONS.—In lieu of any licensing and regulatory requirements applicable under State and local law, the Secretary, in consultation with Indian tribes and tribal organizations, shall develop minimum child care standards (that appropriately reflect tribal needs and available resources) that shall be applicable to Indian tribes and [tribal organization] *tribal organizations* receiving assistance under this subchapter.

* * * * * * *

SEC. 658K. REPORTS AND AUDITS.

(a) REPORTS.—

(1) COLLECTION OF INFORMATION BY STATES.—

(A) IN GENERAL.—A State that receives funds to carry out this subchapter shall collect the information described in subparagraph (B) on a monthly basis.

(B) REQUIRED INFORMATION.—The information required under this subparagraph shall include, with respect to a family unit receiving assistance under this subchapter information concerning—

(i) * * *

* * * * * * *

[(iv) whether the family includes only one parent;]

(iv) whether the head of the family unit is a single parent;

(v) the sources of family income, [including the amount obtained from (and separately identified)—] *including—*

(I) employment, including self-employment;

[(II) cash or other assistance under part A of title IV of the Social Security Act;]

(II) cash or other assistance under—

(aa) the temporary assistance for needy families program under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); and

(bb) a State program for which State spending is counted toward the maintenance of effort requirement under section 409(a)(7) of the Social Security Act (42 U.S.C. 609(a)(7));

(III) housing assistance;

(IV) assistance under the Food Stamp Act of 1977; and

(V) other assistance programs;

* * * * * * *

(x) the average hours per [week] *month* 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.]

(D) USE OF SAMPLES.—

(i) AUTHORITY.—A State may comply with the requirement to collect the information described in subparagraph (B) through the use of disaggregated case record information on a sample of families selected 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 samples of the information described in subparagraph (B). The Secretary may develop and implement procedures for verifying the quality of data submitted by the States.

(2) [BIANNUAL] *ANNUAL* REPORTS.—Not later than December 31, 1997, and every [6] *12* months thereafter, a State described in paragraph (1)(A) shall prepare and submit to the Secretary a report that includes aggregate data concerning—

(A) * * *

* * * * * * *

SEC. 658L. REPORT BY SECRETARY.

Not later than July 31, [1997] *1998*, and biennially thereafter, the Secretary shall prepare and submit to the Committee on Economic and Educational Opportunities of the House of Representatives and the Committee on Labor and Human Resources of the Senate a report that contains a summary and analysis of the data and information provided to the Secretary in the State reports submitted under section 658K. Such report shall include an assessment, and where appropriate, recommendations for the Congress concerning efforts that should be undertaken to improve the access

of the public to quality and affordable child care in the United States.

* * * * * * *

SEC. 658O. AMOUNTS RESERVED; ALLOTMENTS.

(a) * * *

* * * * * * *

(c) PAYMENTS FOR THE BENEFIT OF INDIAN CHILDREN.—

(1) * * *

* * * * * * *

(6) CONSTRUCTION OR RENOVATION OF FACILITIES.—

(A) * * *

* * * * * * *

(C) LIMITATION.—The Secretary may not permit an Indian tribe or tribal organization to use amounts provided under this subsection for construction or renovation if such use will result in a decrease in the level of child care services provided by the tribe or organization as compared to the level of such services provided by the tribe or organization in the fiscal year preceding the year for which the determination under subparagraph [(A)] *(B)* is being made.

* * * * * * *

SEC. 658P. DEFINITIONS.

As used in this subchapter:

(1) * * *

* * * * * * *

(13) STATE.—The term "State" means any of the several States, the District of Columbia, the Virgin Islands of the United States, the Commonwealth of Puerto Rico, Guam, American Samoa, [or] *and* the Commonwealth of the Northern Mariana Islands.

* * * * * * *

HUMAN SERVICES REAUTHORIZATION ACT OF 1986

* * * * * * *

[TITLE VI—CHILD DEVELOPMENT ASSOCIATE SCHOLARSHIP ASSISTANCE PROGRAM

[SEC. 601. SHORT TITLE.

[This title may be cited as the "Child Development Associate Scholarship Assistance Act of 1985".

[SEC. 602. GRANTS AUTHORIZED.

[The Secretary is authorized to make a grant for any fiscal year to any State receiving a grant under title XX of the Social Security Act for such fiscal year to enable such State to award scholarships to eligible individuals within the State who are candidates for the Child Development Associate credential.

[SEC. 603. APPLICATIONS.

[(a) APPLICATION REQUIRED.—A State desiring to participate in the grant program established by this title shall submit an application to the Secretary in such form as the Secretary may require.

[(b) CONTENTS OF APPLICATIONS.—A State's application shall contain appropriate assurances that—

[(1) scholarship assistance made available with funds provided under this title will be awarded—

[(A) only to eligible individuals;

[(B) on the basis of the financial need of such individuals; and

[(C) in amounts sufficient to cover the cost of application, assessment, and credentialing (including, at the option of the State, any training necessary for credentialing) for the Child Development Associate credential for such individuals;

[(2) not more than 35 percent of the funds received under this title by a State may be used to provide scholarship assistance under paragraph (1) to cover the cost of training described in paragraph (1)(C); and

[(3) not more than 10 percent of the funds received by the State under this title will be used for the costs of administering the program established in such State to award such assistance.

[(c) EQUITABLE DISTRIBUTION.—In making grants under this title, the Secretary shall—

[(1) distribute such grants equitably among States; and

[(2) ensure that the needs of rural and urban areas are appropriately addressed.

[SEC. 604. DEFINITIONS.

[For purposes of this title—

[(1) the term "eligible individual" means a candidate for the Child Development Associate credential whose income does not exceed the 130 percent of the lower living standard income level, by more than 50 percent;

[(2) the term "lower living standard income level" means that income level (adjusted for regional, metropolitan, urban, and rural differences and family size) determined annually by the Secretary of Labor and based on the most recent lower living family budget issued by the Secretary of Labor;

[(3) the term "Secretary" means the Secretary of Health and Human Services; and

[(4) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Commonwealth of the Northern Mariana Islands, the Marshall Islands, the Federated States of Micronesia, and Palau.

[SEC. 605. ADMINISTRATIVE PROVISIONS.

[(a) REPORTING.—Each State receiving grants under this title shall annually submit to the Secretary information on the number of eligible individuals assisted under the grant program, and their positions and salaries before and after receiving the Child Development Associate credential.

[(b) PAYMENTS.—Payments pursuant to grants made under this title may be made in installments, and in advance or by way of reimbursement, with necessary adjustments on account of overpayments or underpayments, as the Secretary may determine.

[SEC. 606. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this title such sums as may be necessary for fiscal year 1995.]

* * * * * * *

OMNIBUS BUDGET RECONCILIATION ACT OF 1981

TITLE VI—HUMAN SERVICES PROGRAMS

Subtitle A—Authorizations Savings for Fiscal Years 1982, 1983, and 1984

* * * * * * *

CHAPTER 8—COMMUNITY SERVICES PROGRAMS

* * * * * * *

[Subchapter E—Grants to States for Planning and Development of Dependent Care Programs and for Other Purposes

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 670A. For the purpose of making allotments to States to carry out the activities described in section 670D, there is authorized to be appropriated $13,000,000 for fiscal year 1995.

[ALLOTMENTS

[SEC. 670B. (a) From the amounts appropriated under section 6701A for each fiscal year, the Secretary shall allot to each State an amount which bears the same ratio to the total amount appropriated under such section for such fiscal year as the population of the State bears to the population of all States, except that no State may receive less than $50,000 in each fiscal year.

[(b) For the purpose of the exception contained in subsection (a), the term "State" does not include Guam, American Samoa, the Virgin Islands, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Mariana Islands.

[PAYMENTS UNDER ALLOTMENTS TO STATES

[SEC. 670C. The Secretary shall make payment, as provided by section 6503(a) of title 31, United States Code, to each State from its allotment under section 670B from amounts appropriated under section 670A.

[USE OF ALLOTMENTS

[SEC. 670D. (a)(1) Subject to the provisions of subsections (c) and (d), amounts paid to a State under section 670C from it allotment under section 670B may be used for the planning, development, establishment, operation, expansion, or improvement by the States,

directly or by grant or contract with public or private entities, of State and local resource and referral systems to provide information concerning the availability, types, costs, and locations of dependent care services. The information provided by any such system may include—

[(A) the types of dependent care services available, including services provided by individual homes, religious organizations, community organizations, employers, private industry, and public and private institutions;

[(B) the cost of available dependent care services;

[(C) the locations in which dependent care services are provided;

[(D) the forms of transportation available to such locations;

[(E) the hours during which such dependent care services are available;

[(F) the dependents eligible to enroll for such dependent care services; and

[(G) any resource and referral system planned, developed, established, expanded, or improved with amounts paid to a State under this subchapter.

[(2) The State, with respect to the uses of funds described in paragraph (1) of this subsection shall—

[(A) provide assurances that no information will be included with respect to any dependent care services which are not provided in compliance with the laws of the State and localities in which such services are provided; and

[(B) provide assurances that the information provided will be the latest information available and will be kept up to date.

[(b)(1) Subject to the provisions of subsections (c) and (d), amounts paid to a State under section 670C from its allotment under section 670B may be used for the planning, development, establishment, operation, expansion, or improvement by the States, directly, or by grant or contract, with public agencies or private nonprofit organizations of programs to furnish school-age child care services before and after school. Amounts so paid to a State and used for the operation of such child care services shall be designed to enable children, whose families lack adequate financial resources, to participate in before or after school child care programs.

[(2) The State, with respect to the uses of funds described in paragraph (1) of this subsection shall—

[(A) provide assurances, in the case of an applicant that is not a State or local educational agency, that the applicant has or will enter into an agreement with the State or local educational agency, institution of higher education or community center containing provisions for—

[(i) the use of facilities for the provision of before or after school child care services (including such use during holidays and vacation periods),

[(ii) the restrictions, if any, on the use of such space, and

[(iii) the times when the space will be available for the use of the applicant;

[(B) provide an estimate of the costs of the establishment of the child care service program in the facilities;

[(C) provide assurances that the parents of school-age children will be involved in the development and implementation of the program for which assistance is sought under this Act;

[(D) provide assurances that the applicant is able and willing to seek to enroll racially, ethnically, and economically diverse school-age children, as well as handicapped school-age children, in the child care service program for which assistance is sought under this Act;

[(E) provide assurances that the child care program is in compliance with State and local child care licensing laws and regulations governing day care services for school-age children to the extent that such regulations are appropriate to the age group served; and

[(F) provide such other assurance as the chief executive officer of the State may reasonably require to carry out this Act.

[(c)(1) Except as provided in paragraph (2), of the allotment to each State in each fiscal year—

[(A) 40 percent shall be available for the activities described in subsection (a); and

[(B) 60 percent shall be available for the activities described in subsection (b).

[(2) For any fiscal year the Secretary may waive the percentage requirements specified in paragraph (1) on the request of a State if such State demonstrates to the satisfaction of the Secretary—

[(A) that the amount of funds available as a result of one of such percentage requirements is not needed in such fiscal year for the activities for which such amount is so made available; and

[(B) the adequacy of the alternative percentages, relative to need, the State specifies the State will apply with respect to all of the activities referred to in paragraph (1) if such waiver is granted.

[(d) A State may not use amounts paid to it under this subchapter to—

[(1) make cash payments to intended recipient of dependent care services including child care services;

[(2) pay for construction or renovation; or

[(3) satisfy any requirement for the expenditure of non-Federal funds as a condition for the receipt of Federal funds.

[(e)(1) The Federal share of any project supported under this subchapter shall be not more than 75 percent.

[(2) Not more than 10 percent of the allotment of each State under this subchapter may be available for the cost of administration.

[(f) Project supported under this section to plan, develop, establish, expand, operate, or improve a State or local resource and referral system or before or after school child care program shall not duplicate any services which are provided before the date of the enactment of this subchapter, by the State or locality which will be served by such system.

[(g) The Secretary may provide technical assistance to States in planning and carrying out activities under this subchapter.

[APPLICATION AND DESCRIPTION OF ACTIVITIES; REQUIREMENTS

[SEC. 670E. (a)(1) In order to receive an allotment under section 670B, each State shall submit an application to the Secretary. Each such application shall be in such form and submitted by such date as the Secretary shall require.

[(2) Each application required under paragraph (1) for an allotment under section 670B shall contain assurances that the State will meet the requirements of subsection (b).

[(b) As part of the annual application required by subsection (a), the chief executive officer of each State shall—

[(1) certify that the State agrees to use the funds allotted to it under section 670B in accordance with the requirements of this subchapter; and

[(2) certify that the State agrees that Federal funds made available under section 670C for any period will be so used as to supplement and increase the level of State, local, and other non-Federal funds that would in the absence of such Federal funds be made available for the programs and activities for which funds are provided under that section and will in no event supplant such State, local, and other non-Federal funds.

The Secretary may not prescribe for a State the manner of compliance with the requirements of this subsection.

[(c)(1) The chief executive officer of a State shall, as part of the application required by subsection (a), also prepare and furnish the Secretary (in accordance with such form as the Secretary shall provide) with a description of the intended use of the payments the State will receive under section 670C, including information on the programs and activities to be supported. The description shall be made public within the State in such manner as to facilitate comment from any person (including any Federal or other public agency) during development of the description and after its transmittal. The description shall be revised (consistent with this section) until September 30, 1991, as may be necessary to reflect substantial changes in the programs and activities assisted by the State under this subchapter, and any revision shall be subject to the requirements of the preceding sentence.

[(2) The chief executive officer of each State shall include in such a description of—

[(A) the number of children who participated in before and after school child care programs assisted under this subchapter;

[(B) the characteristics of the children so served including age levels, handicapped condition, income level of families in such programs;

[(C) the salary level and benefits paid to employees in such child care programs; and

[(D) the number of clients served in resource and referral systems assisted under this subchapter, and the types of assistance they requested.

[(d) Except where inconsistent with the provisions of this subchapter, the provisions of section 1903(b), paragraphs (1) through (5) of section 1906(a), and sections 1906(b), 1907, 1908, and 1909 of the Public Health Service Act shall apply to this subchapter in

the same manner as such provisions apply to part A of title XIX of such Act.

[REPORT

[SEC. 670F. Within three years after the date of enactment of this subchapter, the Secretary shall prepare and transmit to the Senate Committee on Labor and Human Resources and the House Committee on Education and Labor a report concerning the activities conducted by the States with amounts provided under this subchapter.

[DEFINITIONS

[SEC. 670G. For purposes of this subchapter—

[(1) the term "community center" means facilities operated by nonprofit community-based organizations for the provision of recreational, social, or educational services to the general public;

[(2) the term "dependent" means—

[(A) an individual who has not attained the age of 17 years;

[(B) an individual who has attained the age of 55 years; or

[(C) an individual with a developmental disability;

[(3) the term "developmental disability" has the same meaning as in section 102(7) of the Developmental Disabilities Assistance and Bill of Rights Act;

[(4) the term "equipment" has the same meaning given that term by section 198(a)(8) of the Elementary and Secondary Education Act of 1965;

[(5) the term "institution of higher education" has the same meaning given that term under section 1201(a) of the Higher Education Act of 1965;

[(6) the term "local educational agency" has the same meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965 of the Elementary and Secondary Education Act of 1965;

[(7) the term "school-age children" means children aged five through thirteen, except that in any State in which by State law children at an earlier age are provided free public education, the age provided in State law shall be substituted for age five;

[(8) the term "school facilities" means classrooms and related facilities used for the provision of education;

[(9) the term "Secretary" means the Secretary of Health and Human Services;

[(10) the term "State" means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the Virgin Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, Palau, and the Commonwealth of the Northern Mariana Islands; and

[(11) the term "State educational agency" has the meaning given that term under section 14101 of the Elementary and Secondary Education Act of 1965.

[SHORT TITLE

[SEC. 670H. This subchapter may be cited as the "State Dependent Care Development Grants Act".]

* * * * * * *

ELEMENTARY AND SECONDARY EDUCATION ACT OF 1965

* * * * * * *

TITLE X—PROGRAMS OF NATIONAL SIGNIFICANCE

* * * * * * *

PART D—ARTS IN EDUCATION

* * * * * * *

Subpart 2—Cultural Partnerships for At-Risk Children and Youth

* * * * * * *

SEC. 10413. AUTHORIZED ACTIVITIES.

(a) IN GENERAL.—Grants awarded under this subpart may be used—

(1) * * *

[(4) to provide child care for children of at-risk students who would not otherwise be able to participate in the program;]

* * * * * * *

PART J—URBAN AND RURAL EDUCATION ASSISTANCE

* * * * * * *

Subpart 1—Urban Education Demonstration Grants

* * * * * * *

SEC. 10963. URBAN SCHOOL GRANTS.

(a) * * *

(b) AUTHORIZED ACTIVITIES.—Funds under this section may be used to—

(1) * * *

(2) ensure the readiness of all urban public school children for school, such as—

(A) * * *

* * * * * * *

[(G) establishment of comprehensive child care centers in public secondary schools for students who are parents and their children; and]

* * * * * * *

Subpart 2—Rural Education Demonstration Grants

* * * * * * *

SEC. 10974. USES OF FUNDS.

(a) IN GENERAL.—Grant funds made available under section 10973 may be used by rural eligible local educational agencies to meet the National Education Goals through programs designed to—

(1) * * *

* * * * * * *

(6) ensure the readiness of all rural children for school, such as—

(A) * * *

* * * * * * *

[(G) establishment of comprehensive child care centers in public secondary schools for student parents and their children; and]

* * * * * * *

SECTION 9205 OF THE NATIVE HAWAIIAN EDUCATION ACT

[SEC. 9205. NATIVE HAWAIIAN FAMILY-BASED EDUCATION CENTERS.

[(a) GENERAL AUTHORITY.—The Secretary is authorized to make direct grants, to Native Hawaiian educational organizations or educational entities with experience in developing or operating Native Hawaiian programs or programs of instruction conducted in the Native Hawaiian language, to expand the operation of Family-Based Education Centers throughout the Hawaiian Islands. The programs of such centers may be conducted in the Hawaiian language, the English language, or a combination thereof, and shall include—

[(1) parent-infant programs for prenatal through three-year-olds;

[(2) preschool programs for four- and five-year-olds;

[(3) continued research and development; and

[(4) a long-term followup and assessment program, which may include educational support services for Native Hawaiian language immersion programs or transition to English speaking programs.

[(b) ADMINISTRATIVE COSTS.—Not more than 7 percent of the funds appropriated to carry out the provisions of this section for any fiscal year may be used for administrative purposes.

[(c) AUTHORIZATION OF APPROPRIATIONS.—In addition to any other amount authorized to be appropriated for the centers de-

scribed in subsection (a), there are authorized to be appropriated $6,000,000 for fiscal year 1995, and such sums as may be necessary for each of the four succeeding fiscal years, to carry out this section. Funds appropriated under the authority of this subsection shall remain available until expended.]

○