

104TH CONGRESS
1ST SESSION

H. R. 1250

To promote self-sufficiency and stability among families receiving aid to families with dependent children by increasing employment opportunities; to increase State flexibility in operating a Job Opportunities and Basic Skills Training Program; to improve the interstate enforcement of child support and parentage court orders; and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 15, 1995

Mrs. MINK of Hawaii (for herself, Mr. ABERCROMBIE, Mr. ACKERMAN, Mr. BECERRA, Mr. BEILENSON, Mr. BISHOP, Ms. BROWN of Florida, Mr. CLAY, Mrs. CLAYTON, Mr. CLYBURN, Mr. COLEMAN, Miss COLLINS of Michigan, Mrs. COLLINS of Illinois, Mr. CONYERS, Mr. DE LA GARZA, Mr. DELLUMS, Mr. ENGEL, Mr. EVANS, Mr. FALEOMAVAEGA, Mr. FATTAH, Mr. FIELDS of Louisiana, Mr. FLAKE, Mr. FOGLIETTA, Mr. FRANK of Massachusetts, Ms. FURSE, Mr. GONZALEZ, Mr. GUTIERREZ, Mr. HASTINGS of Florida, Mr. HILLIARD, Mr. HINCHEY, Ms. JACKSON-LEE, Mr. JEFFERSON, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. JOHNSTON of Florida, Mr. LEWIS of Georgia, Mr. MARTINEZ, Mr. McDERMOTT, Ms. McKINNEY, Mrs. MEEK of Florida, Mr. MFUME, Mr. MILLER of California, Mr. MINETA, Ms. NORTON, Mr. OLVER, Mr. OWENS, Mr. PASTOR, Mr. PAYNE of New Jersey, Ms. PELOSI, Mr. REYNOLDS, Mr. RICHARDSON, Mr. ROMERO-BARCELÓ, Ms. ROYBAL-ALLARD, Mr. RUSH, Mr. SABO, Mr. SANDERS, Mrs. SCHROEDER, Mr. SCOTT, Mr. SERRANO, Mr. STARK, Mr. STOKES, Mr. STUDDS, Mr. THOMPSON, Mr. TORRES, Mr. TOWNS, Mr. TUCKER, Mr. UNDERWOOD, Ms. VELÁZQUEZ, Mr. VENTO, Ms. WATERS, Mr. WATT of North Carolina, Mr. WAXMAN, Mr. WILLIAMS, Ms. WOOLSEY, Mr. WYNN, and Mr. YATES) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Economic and Educational Opportunities, Agriculture, Commerce, the Judiciary, National Security, and Government Reform and Oversight, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To promote self-sufficiency and stability among families receiving aid to families with dependent children by increasing employment opportunities; to increase State flexibility in operating a Job Opportunities and Basic Skills Training Program; to improve the interstate enforcement of child support and parentage court orders; and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Stability and
 5 Work Act of 1995”.

6 **SEC. 2. REFERENCE TO SOCIAL SECURITY ACT.**

7 Except as otherwise specifically provided, wherever in
 8 this Act an amendment is expressed in terms of an amend-
 9 ment to or repeal of a section or other provision, the ref-
 10 erence shall be considered to be made to that section or
 11 other provision of the Social Security Act.

12 **SEC. 3. TABLE OF CONTENTS.**

13 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Reference to Social Security Act.
- Sec. 3. Table of contents.

TITLE I—IMPROVING AID TO FAMILIES WITH DEPENDENT
CHILDREN

- Sec. 101. Increase in standard earned income disregard.
- Sec. 102. Increase in State flexibility regarding recipient participation in jobs program.
- Sec. 103. Elimination of different treatment of 2-parent families.
- Sec. 104. Extension of transitional child care guarantee.

- Sec. 105. Increase in Federal matching rates for child care.
- Sec. 106. Increase in jobs program funding.
- Sec. 107. Requirement with respect to jobs program participation rate.
- Sec. 108. Increase in matching rates for States whose recipients leave AFDC for paid employment.
- Sec. 109. Increase in at-risk child care funding.
- Sec. 110. Improvements in jobs program self-sufficiency planning and case management.
- Sec. 111. Change in mandatory services and activities under the jobs program.
- Sec. 112. Jobs creation and work experience program.
- Sec. 113. Provisions generally applicable to the jobs program.

TITLE II—MAKING WORK PAY

- Sec. 201. Transitional medicaid benefits.
- Sec. 202. Temporary exclusion of earned income for purposes of determining rent paid for units in federally assisted housing.
- Sec. 203. Continuation of food stamp benefits.

TITLE III—IMPROVING CHILD SUPPORT ENFORCEMENT

Subtitle A—Eligibility and Other Matters Concerning Title IV–D Program Clients

- Sec. 301. State obligation to provide paternity establishment and child support enforcement services.
- Sec. 302. Distribution of payments.
- Sec. 303. Due process rights.
- Sec. 304. Privacy safeguards.

Subtitle B—Program Administration and Funding

- Sec. 311. Federal matching payments.
- Sec. 312. Performance-based incentives and penalties.
- Sec. 313. Federal and State reviews and audits.
- Sec. 314. Required reporting procedures.
- Sec. 315. Automated data processing requirements.
- Sec. 316. Director of CSE program; staffing study.
- Sec. 317. Funding for secretarial assistance to State programs.
- Sec. 318. Reports and data collection by the Secretary.

Subtitle C—Locate and Case Tracking

- Sec. 321. Central State and case registry.
- Sec. 322. Centralized collection and disbursement of support payments.
- Sec. 323. Amendments concerning income withholding.
- Sec. 324. Locator information from interstate networks.
- Sec. 325. Expanded Federal Parent Locator Service.
- Sec. 326. Use of social security numbers.

Subtitle D—Streamlining and Uniformity of Procedures

- Sec. 331. Adoption of uniform State laws
- Sec. 332. Improvements to full faith and credit for child support orders.
- Sec. 333. State laws providing expedited procedures

Subtitle E—Paternity Establishment

- Sec. 341. State laws concerning paternity establishment.
- Sec. 342. Outreach for voluntary paternity establishment.

Subtitle F—Establishment and Modification of Support Orders

- Sec. 351. National Child Support Guidelines Commission.
- Sec. 352. Simplified process for review and adjustment of child support orders.

Subtitle G—Enforcement of Support Orders

- Sec. 361. Federal income tax refund offset.
- Sec. 362. Internal revenue service collection of arrears.
- Sec. 363. Authority to collect support from Federal employees.
- Sec. 364. Enforcement of child support obligations of members of the Armed Forces.
- Sec. 365. Motor vehicle liens.
- Sec. 366. Voiding of fraudulent transfers.
- Sec. 367. State law authorizing suspension of licenses.
- Sec. 368. Reporting arrearages to credit bureaus.
- Sec. 369. Extended statute of limitation for collection of arrearages.
- Sec. 370. Charges for arrearages.
- Sec. 371. Denial of passports for nonpayment of child support.
- Sec. 372. International child support enforcement.

Subtitle H—Medical Support

- Sec. 381. Technical correction to ERISA definition of medical child support order.

Subtitle I—Effect of Enactment

- Sec. 391. Effective dates.
- Sec. 392. Severability.

TITLE IV—REAUTHORIZATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT

- Sec. 431. Reauthorization of child care and development block grant.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

- Sec. 501. Increase in top marginal rate under section 11.

TITLE VI—EFFECTIVE DATE

- Sec. 601. Effective date.

1 **TITLE I—IMPROVING AID TO**
2 **FAMILIES WITH DEPENDENT**
3 **CHILDREN**

4 **SEC. 101. INCREASE IN STANDARD EARNED INCOME DIS-**
5 **REGARD.**

6 Clause (ii) of section 402(a)(8)(A) (42 U.S.C.
7 602(a)(8)(A)(ii)) is amended by striking “\$90” and in-
8 serting “\$170”.

9 **SEC. 102. INCREASE IN STATE FLEXIBILITY REGARDING RE-**
10 **CIPIENT PARTICIPATION IN JOBS PROGRAM.**

11 (a) CHANGES IN STATE PLAN REQUIREMENTS.—
12 Paragraph (19) of section 402(a) (42 U.S.C. 602(a)(19))
13 is amended to read as follows:

14 “(19) provide—

15 “(A) that the State has in effect and oper-
16 ation a job opportunities and basic skills train-
17 ing program which meets the requirements of
18 part F;

19 “(B) that, not later than 30 days after ap-
20 proving the application of a family for aid
21 under the State plan approved under this part,
22 the State shall—

23 “(i) conduct an initial assessment of
24 the self-sufficiency needs of the family that
25 includes an assessment of the family cir-

1 cumstances, the educational, child care,
2 and other supportive services needs, and
3 the skills, prior work experience, and em-
4 ployability of each recipient;

5 “(ii) determine whether it would be
6 appropriate to require or permit any mem-
7 ber of the family to participate in the pro-
8 gram of the State under part F; and

9 “(iii) advise the family of the avail-
10 ability of child care assistance under sec-
11 tion 402(g) for participation in education,
12 training, and employment;

13 “(C) that—

14 “(i) the costs of attendance by a re-
15 cipient at an institution of higher edu-
16 cation (as defined in section 481(a) of the
17 Higher Education Act of 1965), or a
18 school or course of vocational or technical
19 training, shall not constitute federally re-
20 imburseable expenses for purposes of sec-
21 tion 403; and

22 “(ii) the costs of day care, transpor-
23 tation, and other services which are nec-
24 essary (as determined by the State agency)
25 for such attendance in accordance with

1 section 402(g) are eligible for Federal re-
2 imbursement so long as the recipient is
3 making satisfactory progress in such insti-
4 tution, school, or course and such attend-
5 ance is consistent with the employment
6 goals in the recipient's self-sufficiency plan
7 developed under part F;

8 “(D) that—

9 “(i) if an individual who is required
10 by the State to participate in the program
11 of the State under part F fails without
12 good cause to participate or refuses with-
13 out good cause to accept employment in
14 which such individual is able to engage
15 which is offered through the public employ-
16 ment offices of the State, or is otherwise
17 offered by an employer if the offer of such
18 employer is determined to be a bona fide
19 offer of employment—

20 “(I) the family of the individual
21 shall cease to be eligible for aid under
22 this part; unless

23 “(II) such individual is a member
24 of a family in which both parents are
25 living at home, and his or her spouse

1 has not failed to comply under this
2 clause, in which case the needs of
3 such individual shall not be taken into
4 account in making the determination
5 with respect to his or her family
6 under paragraph (7) of this sub-
7 section;

8 “(ii) any sanction described in clause
9 (i) shall continue until the failure to com-
10 ply ceases;

11 “(iii) no sanction shall be imposed
12 under this subparagraph—

13 “(I) on the basis of the refusal of
14 an individual to accept any employ-
15 ment (including any employment of-
16 fered under the program), if the em-
17 ployment does not pay at least the
18 Federal minimum wage under section
19 6(a) of the Fair Labor Standards Act
20 of 1938; or

21 “(II) on the basis of the refusal
22 of an individual to participate in the
23 program or accept employment (in-
24 cluding any employment offered under
25 the program), if child care (or day

1 care for any incapacitated individual
2 living in the same home as a depend-
3 ent child) is necessary for an individ-
4 ual to participate in the program or
5 accept employment, such care is not
6 available, and the State agency fails
7 to provide such care; and

8 “(H) the State agency may require a par-
9 ticipant in the program to accept a job only if
10 such agency assures that the family of such
11 participant will experience no net loss of cash
12 income resulting from acceptance of the job;
13 and any costs incurred by the State agency as
14 a result of this subparagraph shall be treated as
15 expenditures with respect to which section
16 403(a)(1) or 403(a)(2) applies;”.

17 (b) CHANGE IN PAYMENT TO STATES.—Section
18 403(l) (42 U.S.C. 603(l)) is amended by striking para-
19 graph (2).

20 **SEC. 103. ELIMINATION OF DIFFERENT TREATMENT OF 2-**
21 **PARENT FAMILIES.**

22 (a) IN GENERAL.—Section 402(a) (42 U.S.C.
23 602(a)) is amended by striking paragraph (41).

24 (b) CONFORMING AMENDMENTS.—

1 (1) Section 402(a)(38)(B) (42 U.S.C.
2 602(a)(38)(B)) is amended by striking “or in section
3 407(a)”.

4 (2) Section 402(a) (42 U.S.C. 602(a)) is
5 amended by striking paragraph (42).

6 (3) Section 402(g)(1)(A)(ii) (42 U.S.C.
7 602(g)(1)(A)(ii)) is amended by striking “hours of,
8 or increased income from,” and inserting “income
9 from”.

10 (4) Section 406(a)(1) (42 U.S.C. 606(a)(1)) is
11 amended by striking “who has been deprived” and
12 all that follows through “incapacity of a parent”.

13 (5) Section 406(b)(1) (42 U.S.C. 606(b)(1)) is
14 amended by striking “and if such relative” and all
15 that follows through “section 407”.

16 (6) Section 407 (42 U.S.C. 607) is hereby re-
17 pealed.

18 (7) Section 472(a) (42 U.S.C. 672(a)) is
19 amended by striking “or of section 407”.

20 (8) Section 473(a)(2)(A)(i) (42 U.S.C.
21 672(a)(2)(A)(i)) is amended by striking “or section
22 407”.

23 (9) Section 1115(b) (42 U.S.C. 1315(b)) is
24 amended by striking paragraph (5).

1 (10) Section 1115 (42 U.S.C. 1315) is amended
2 by striking subsection (d).

3 (11) Section 1902(a)(10)(A)(i) (42 U.S.C.
4 1396a(a)(10)(A)(i)) is amended by striking
5 subclause (V) and by redesignating subclauses (VI)
6 and (VII) as subclauses (V) and (VI), respectively.

7 (12) Section 1905 (42 U.S.C. 1396d) is amend-
8 ed by striking subsection (m).

9 (13) Section 1905(n)(1) (42 U.S.C.
10 1396d(n)(1)) is amended—

11 (A) in subparagraph (A)—

12 (i) by striking “(or” and all that fol-
13 lows through “407)”; and

14 (ii) by adding “or” at the end; and

15 (B) by striking subparagraph (B).

16 (14) Section 1925(a) (42 U.S.C. 1396r-6(a)) is
17 amended by striking “hours of, or income from,”
18 and inserting “income from”.

19 (15) Section 204(b)(2) of the Family Support
20 Act of 1988 (42 U.S.C. 681 note) is amended by
21 striking the semicolon and all that follows through
22 “1998”.

1 **SEC. 104. EXTENSION OF TRANSITIONAL CHILD CARE**
2 **GUARANTEE.**

3 Clause (iii) of section 402(g)(1)(A) (42 U.S.C.
4 602(g)(1)(A)(iii)) is amended to read as follows:

5 “(iii) A family shall only be eligible for child care pro-
6 vided under clause (ii)—

7 “(I) for a period of 24 months after the last
8 month for which the family received aid to families
9 with dependent children under this part; or

10 “(II) until the income of the family exceeds by
11 more than 200 percent the income official poverty
12 line (as defined by the Office of Management and
13 Budget, and revised annually in accordance with sec-
14 tion 673(2) of the Omnibus Budget Reconciliation
15 Act of 1981) applicable to a family of the size in-
16 volved;
17 whichever occurs first.”.

18 **SEC. 105. INCREASE IN FEDERAL MATCHING RATES FOR**
19 **CHILD CARE.**

20 (a) AFDC AND TRANSITIONAL CHILD CARE.—

21 (1) INCREASE IN RATES FOR SEVERAL STATES
22 AND DISTRICT OF COLUMBIA.—Clause (i) of section
23 402(g)(3)(A) (42 U.S.C. 602(g)(3)(A)(i)) is amend-
24 ed by striking “1905(b).” and inserting “1905(b)),
25 increased by 10 percentage points.”.

1 (2) INCREASE IN RATES FOR OTHER STATES.—
2 Clause (ii) of section 402(g)(3)(A) (42 U.S.C.
3 602(g)(3)(A)(ii)) is amended by striking “1118).”
4 and inserting “1118), increased by 10 percentage
5 points.”.

6 (b) AT-RISK CHILD CARE.—Subparagraph (A) of
7 section 403(n)(1) (42 U.S.C. 603(n)(1)(A)) is amended
8 by inserting “increased by 10 percentage points” before
9 “of the expenditures”.

10 **SEC. 106. INCREASE IN JOBS PROGRAM FUNDING.**

11 Paragraph (3) of section 403(k) (42 U.S.C.
12 603(k)(3)) is amended—

13 (1) in subparagraph (E), by striking “and” at
14 the end;

15 (2) in subparagraph (F), by striking “and each
16 succeeding fiscal year,” and inserting a comma at
17 the end; and

18 (3) by inserting after subparagraph (F) the fol-
19 lowing:

20 “(G) \$1,500,000,000 in the case of fiscal year
21 1997,

22 “(H) \$1,900,000,000 in the case of fiscal year
23 1998,

24 “(I) \$2,800,000,000 in the case of fiscal year
25 1999,

1 “(J) \$3,700,000,000 in the case of fiscal year
2 2000, and

3 “(K) \$5,000,000,000 in the case of fiscal year
4 2001.”.

5 **SEC. 107. REQUIREMENT WITH RESPECT TO JOBS PRO-**
6 **GRAM PARTICIPATION RATE.**

7 (a) REQUIREMENT.—Section 402 (42 U.S.C. 602) is
8 amended by inserting after subsection (c) the following:

9 “(d)(1) With respect to the program established by
10 a State under part F, the State shall achieve a participa-
11 tion rate for the following fiscal years of not less than the
12 following percentage:

“Fiscal year:	Percentage:
1997	15
1998	20
1999	25
2000	30
2001	35
2002	40
2003 or later	50.

13 “(2) As used in this subsection, the term ‘participa-
14 tion rate’ means, with respect to a State and a fiscal year,
15 an amount equal to—

16 “(A) the average monthly number of individuals
17 who, during the fiscal year, participate in the State
18 program established under part F; divided by

19 “(B) the average monthly number of individuals
20 who, during the fiscal year, are adult recipients of
21 aid under the State plan approved under part A or

1 participate in the State program established under
2 part F.

3 “(3) Each State that operates a program under part
4 F for a fiscal year shall submit to the Secretary a report
5 on the participation rate of the State for the fiscal year.

6 “(4)(A) If a State reports that the State has failed
7 to achieve the participation rate required by paragraph (1)
8 for the fiscal year, the Secretary may make recommenda-
9 tions for changes in the State program established under
10 part F. The State may elect to follow such recommenda-
11 tions, and shall demonstrate to the Secretary how the
12 State will achieve the required participation rates.

13 “(B) Notwithstanding subparagraph (A), if a State
14 fails to achieve the participation rate required by para-
15 graph (1) for 2 consecutive fiscal years, the Secretary may
16 require the State to make changes in the State program
17 established under part F.”.

18 (b) CHANGE IN PAYMENT TO STATES.—Section
19 403(l) (42 U.S.C. 603(l)) is amended by striking para-
20 graphs (3) and (4).

1 **SEC. 108. INCREASE IN MATCHING RATES FOR STATES**
2 **WHOSE RECIPIENTS LEAVE AFDC FOR PAID**
3 **EMPLOYMENT.**

4 (a) INCREASE IN JOBS MATCHING RATE.—Section
5 403(l) (42 U.S.C. 603(l)), as amended by section 102(b),
6 is amended by inserting after paragraph (1) the following:

7 “(2)(A) Notwithstanding paragraph (1), the Sec-
8 retary shall pay to a State, with respect to expenditures
9 made by the State that are described in paragraph
10 (1)(A)(ii)(II), an amount equal to the greater of 70 per-
11 cent or the Federal medical assistance percentage (as de-
12 fined in section 1118 in the case of any State to which
13 section 1108 applies, or as defined in section 1905(b) in
14 the case of any other State) increased by 10 percent if
15 the number of qualified families with respect to the State
16 for a fiscal year equals or exceeds the proportion specified
17 in subparagraph (B) for such year of the total number
18 of individuals participating in the State program estab-
19 lished under part F during such year.

20 “(B) The proportion specified in this subparagraph
21 is—

22 “(i) $\frac{1}{4}$ for fiscal year 1998;

23 “(ii) $\frac{1}{3}$ for fiscal year 1999;

24 “(iii) $\frac{1}{2}$ for fiscal year 2000, and for each fiscal
25 year thereafter.

1 “(C) For purposes of subparagraph (A), the term
2 ‘qualified family’ means, with respect to a State for a fis-
3 cal year, a family—

4 “(i) that was receiving aid from the State under
5 this part during such year;

6 “(ii) a member of which ceased to participate in
7 the State program established under part F during
8 such year as the result of the employment of such
9 member in a job (other than a job provided under
10 the job creation and work experience program under
11 section 482(e)); and

12 “(iii) ceased to receive such aid as a result of
13 such employment.”

14 (b) INCREASE IN TRANSITIONAL CHILD CARE
15 RATE.—Paragraph (3) of section 402(g) (42 U.S.C.
16 602(g)(3)) is amended by adding at the end the following:

17 “(C) Notwithstanding subparagraph (A), in the case
18 of amounts expended for child care pursuant to paragraph
19 (1)(A)(ii) by any State that satisfies the requirement in
20 section 403(l)(2)(A), the applicable rate for purposes of
21 section 403(a) shall be the percentage specified in sub-
22 paragraph (A) for such amounts, increased by 10 percent-
23 age points.”.

1 **SEC. 109. INCREASE IN AT-RISK CHILD CARE FUNDING.**

2 Subparagraph (B) of section 403(n)(2) (42 U.S.C.
3 603(n)(2)(B)) of the Social Security Act is amended—

4 (1) in clause (iv), by striking “and” at the end;

5 (2) in clause (v), by striking “1995, and for
6 each fiscal year thereafter.” and inserting “1995;”;

7 and

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

9 “(vi) \$300,000,000 for fiscal year 1996;

10 “(vii) \$800,000,000 for fiscal year 1997;

11 “(viii) \$1,300,000,000 for fiscal year 1998;

12 “(ix) \$1,800,000,000 for fiscal year 1999;

13 “(x) \$2,300,000,000 for fiscal year 2000; and

14 “(xi) \$2,800,000,000 for fiscal year 2001.”.

15 **SEC. 110. IMPROVEMENTS IN JOBS PROGRAM SELF-SUFFI-**
16 **CIENCY PLANNING AND CASE MANAGEMENT.**

17 Section 482(b) (42 U.S.C. 682(b)) is amended—

18 (1) by amending the subsection heading to read
19 as follows:

20 “(b) SELF-SUFFICIENCY PLAN.—”;

21 (2) by striking paragraph (1)(A), redesignating
22 paragraph (1)(B) as paragraph (1)(A), and adjust-
23 ing the placement and margins of paragraph (1)(A)
24 (as so redesignated) accordingly;

25 (3) in paragraph (1)(A) (as redesignated by
26 paragraph (2))—

1 (A) by striking “such assessment,” and in-
2 serting “the initial assessment of self-suffi-
3 ciency under section 402(a)(19)(B),”; and

4 (B) by striking “employability plan” each
5 place such term appears and inserting “self-suf-
6 ficiency plan”;

7 (4) in paragraph (2)—

8 (A) by striking “initial assessment and re-
9 view and the development of the employability
10 plan” and inserting “initial assessment of self-
11 sufficiency and the development of the self-suf-
12 ficiency plan”;

13 (B) by striking “the State agency may re-
14 quire” and inserting “the State agency shall re-
15 quire”; and

16 (C) by striking “If the State agency exer-
17 cises the option under the preceding sentence,
18 the State agency must” and inserting “The
19 State agency must”; and

20 (5) in paragraph (3)—

21 (A) by striking “may assign” and inserting
22 “shall assign”; and

23 (B) by adding at the end the following:

24 “Case management services under this paragraph shall
25 continue for a period of not fewer than 90 days after a

1 participant becomes employed, and, at the option of the
2 State, the State may extend such period to not more than
3 365 days.”.

4 **SEC. 111. CHANGE IN MANDATORY SERVICES AND ACTIVI-**
5 **TIES UNDER THE JOBS PROGRAM.**

6 (a) MANDATORY AND PERMISSIBLE SERVICES AND
7 ACTIVITIES.—Subparagraph (A) of section 482(d)(1) (42
8 U.S.C. 682(d)(1)(A)) is amended to read as follows:

9 “(d) SERVICES AND ACTIVITIES UNDER THE PRO-
10 GRAM.—(1)(A) In carrying out the program, each State
11 shall make available a broad range of services and activi-
12 ties to aid in carrying out the purpose of this part. Such
13 services and activities—

14 “(i) shall include—

15 “(I) educational activities (as appropriate),
16 including high school or equivalent education
17 (combined with training as needed), basic and
18 remedial education to achieve a basic literacy
19 level, and education for individuals with limited
20 English proficiency;

21 “(II) job skills training;

22 “(III) job readiness activities to help pre-
23 pare participants for work;

24 “(IV) job development and job placement;

1 “(V) a job creation and work experience
2 program as described in subsection (e); and

3 “(VI) group and individual job search as
4 described in subsection (f); and

5 “(ii) may include—

6 “(I) on-the-job training; and

7 “(II) any other work experience program
8 approved by the Secretary.”.

9 (b) **ELIMINATION OF REQUIREMENT WITH RESPECT**
10 **TO CERTAIN EDUCATIONAL ACTIVITIES.**—Section 482(d)
11 (42 U.S.C. 682(d)) is amended—

12 (1) by striking paragraph (2); and

13 (2) by redesignating paragraph (3) as para-
14 graph (2).

15 **SEC. 112. JOBS CREATION AND WORK EXPERIENCE PRO-**
16 **GRAM.**

17 Section 482 (42 U.S.C. 682) is amended—

18 (1) by striking subsections (e) and (f);

19 (2) by redesignating subsections (g), (h), and (i) as
20 subsections (f), (g), and (h); and

21 (3) by inserting after subsection (d) the follow-
22 ing:

23 “(e) **JOBS CREATION AND WORK EXPERIENCE PRO-**
24 **GRAM.**—

1 “(1) IN GENERAL.—In carrying out the pro-
2 gram, each State shall establish a jobs creation and
3 work experience program in accordance with this
4 subsection.

5 “(2) GENERAL REQUIREMENTS.—A jobs cre-
6 ation and work experience program is a program
7 that provides employment in the public sector or in
8 the private sector in accordance with the following
9 requirements:

10 “(A) PARTICIPATION.—A State shall re-
11 quire an individual to participate in the jobs
12 creation and work experience program if the in-
13 dividual—

14 “(i) is eligible to receive aid under the
15 State plan approved under part A;

16 “(ii) is prepared to commence employ-
17 ment, as determined under the self-suffi-
18 ciency plan developed for the individual
19 under subsection (b)(1)(A); and

20 “(iii) has demonstrated that the indi-
21 vidual is not otherwise able to obtain em-
22 ployment in the public or private sectors.

23 “(B) PERIODIC JOB SEARCH REQUIRED.—
24 As a continuing condition of eligibility to par-
25 ticipate in the jobs creation and work experi-

1 ence program, each participant in the program
2 shall periodically engage in job search.

3 “(C) ENTRY-LEVEL POSITIONS.—

4 “(i) IN GENERAL.—Subject to clause
5 (ii), the jobs creation and work experience
6 program shall provide entry-level positions,
7 to the extent practicable.

8 “(ii) NO INFRINGEMENT ON PRO-
9 MOTIONAL OPPORTUNITIES.—A job shall
10 not be created in a promotional line that
11 will infringe in any way upon the pro-
12 motional opportunities of persons employed
13 in jobs not subsidized under this sub-
14 section.

15 “(D) MAXIMUM PERIOD OF SUBSIDIZED
16 EMPLOYMENT AT SAME POSITION.—The jobs
17 creation and work experience program shall not
18 permit an individual to remain in the program
19 for more than 24 months.

20 “(E) MINIMUM WAGE REQUIREMENT.—An
21 individual participating in the jobs creation and
22 work experience program may not be required
23 to accept any employment if the wage rate for
24 such employment does not equal or exceed the

1 minimum wage rate then in effect under section
2 6 of the Fair Labor Standards Act of 1938.

3 “(3) WAGES TREATED AS EARNED INCOME.—
4 Wages paid under a program established under this
5 subsection shall be considered to be earned income
6 for purposes of any provision of law.

7 “(4) PRESERVATION OF ELIGIBILITY FOR
8 CHILD CARE ASSISTANCE AND MEDICAID BENE-
9 FITS.—Any individual who becomes ineligible to re-
10 ceive aid under a State plan approved under part A
11 by reason of income from employment provided
12 under a program established under this subsection
13 to the caretaker relative of the family of which the
14 individual is a member shall for purposes of eligi-
15 bility for child care benefits under section
16 402(g)(1)(A)(i) and for purposes of eligibility for
17 medical assistance under the State plan approved
18 under title XIX, be considered to be receiving such
19 aid for so long as the subsidized employment pro-
20 vided to the individual under this subsection contin-
21 ues.”.

22 **SEC. 113. PROVISIONS GENERALLY APPLICABLE TO THE**
23 **JOBS PROGRAM.**

24 Section 484 (42 U.S.C. 684) is amended by striking
25 subsections (b), (c), and (d) and inserting the following:

1 “(b)(1)(A) Funds provided for a program established
2 under section 482 may be used only for programs that
3 do not duplicate any employment activity otherwise avail-
4 able in the locality of the program.

5 “(B) Funds provided for a program established under
6 section 482 shall not be paid to a private entity to conduct
7 activities that are the same or substantially equivalent to
8 activities provided by a State in which the entity is located
9 or by an agency of local government with jurisdiction over
10 the locality in which the entity is located, unless the re-
11 quirements of paragraph (2) are met.

12 “(2)(A) An employer shall not displace an employee
13 or position, including partial displacement such as reduc-
14 tion in hours, wages, or employment benefits, as a result
15 of the use by the employer of a participant in a program
16 established under section 482.

17 “(B) No work assignment under a program estab-
18 lished under section 482 shall result in any infringement
19 of the promotional opportunities of any employed individ-
20 ual.

21 “(C)(i) A participant in a program established under
22 section 482(e) shall not perform any services or duties or
23 engage in activities that would otherwise be performed by
24 an employee as part of the assigned duties of the em-
25 ployee.

1 “(ii) A participant in a program established under
2 section 482 shall not perform any services or duties or
3 engage in activities that—

4 “(I) will supplant the hiring of employed work-
5 ers; or

6 “(II) are services, duties or activities with re-
7 spect to which an individual has recall rights pursu-
8 ant to a collective bargaining agreement or applica-
9 ble personnel procedures.

10 “(iii) A participant in a program established under
11 section 482 shall not perform services or duties that have
12 been performed by or were assigned to any—

13 “(I) presently employed worker if the partici-
14 pant is in a program established under section
15 482(e);

16 “(II) employee who recently resigned or was
17 discharged;

18 “(III) employee who—

19 “(aa) is the subject of a reduction in force;

20 or

21 “(bb) has recall rights pursuant to a col-
22 lective bargaining agreement or applicable per-
23 sonnel procedures;

24 “(IV) employee who is on leave (terminal, tem-
25 porary, vacation, emergency, or sick); or

1 “(V) employee who is on strike or is being
2 locked out.

3 “(c)(1) Sections 142(a), 143(a)(4), 143(a)(5), and
4 143(c)(2) of the Job Training Partnership Act shall apply
5 to employment provided through any program established
6 under section 482 of this Act.

7 “(2) Sections 130(f) and 176(f) of the National and
8 Community Service Act of 1990 shall apply to employment
9 provided through any program established under section
10 482 of this Act.

11 “(d)(1) A participant in a program established under
12 subsection (e) of section 482 may not be assigned to fill
13 any established unfilled position vacancy.

14 “(2)(A) A program established under section 482
15 may not be used to assist, promote, or deter union orga-
16 nizing.

17 “(B) A program established under section 482 may
18 not be used to impair existing contracts for services or
19 collective bargaining agreements.”.

20 **TITLE II—MAKING WORK PAY**

21 **SEC. 201. TRANSITIONAL MEDICAID BENEFITS.**

22 (a) EXTENSION OF MEDICAID ENROLLMENT FOR
23 FORMER AFDC RECIPIENTS FOR 1 ADDITIONAL YEAR.—

24 (1) IN GENERAL.—Section 1925(b)(1) (42
25 U.S.C. 1396r-6(b)(1)) is amended by striking the

1 period at the end and inserting the following: “, and
2 that the State shall offer to each such family the op-
3 tion of extending coverage under this subsection for
4 any of the first 2 succeeding 6-month periods, in the
5 same manner and under the same conditions as the
6 option of extending coverage under this subsection
7 for the first succeeding 6-month period.”.

8 (2) CONFORMING AMENDMENTS.—Section
9 1925(b) (42 U.S.C. 1396r-6(b)) is amended—

10 (A) in the heading, by striking “EXTEN-
11 SION” and inserting “EXTENSIONS”;

12 (B) in the heading of paragraph (1), by
13 striking “REQUIREMENT” and inserting “IN
14 GENERAL”;

15 (C) in paragraph (2)(B)(ii)—

16 (i) in the heading, by striking “PE-
17 RIOD” and inserting “PERIODS”, and

18 (ii) by striking “in the period” and in-
19 serting “in each of the 6-month periods”;

20 (D) in paragraph (3)(A), by striking “the
21 6-month period” and inserting “any 6-month
22 period”;

23 (E) in paragraph (4)(A), by striking “the
24 extension period” and inserting “any extension
25 period”; and

1 (F) in paragraph (5)(D)(i), by striking “is
2 a 3-month period” and all that follows and in-
3 serting the following: “is, with respect to a par-
4 ticular 6-month additional extension period pro-
5 vided under this subsection, a 3-month period
6 beginning with the first or fourth month of
7 such extension period.”.

8 (b) IMPOSITION OF PREMIUM PERMITTED ONLY
9 DURING ADDITIONAL EXTENSION PERIODS.—

10 (1) IN GENERAL.—Section 1925(b)(5)(A) of
11 such Act (42 U.S.C. 1396r-6(b)(5)(A)) is amended
12 by striking “(D)(i),” and inserting “(D)(i) occur-
13 ring during the second or third additional extension
14 period provided under this subsection,”.

15 (2) CONFORMING AMENDMENT.—Section
16 1925(b)(1) of such Act (42 U.S.C. 1396r-6(b)(1)),
17 as amended by subsection (a)(1), is amended by in-
18 serting after “same conditions” the following: “(ex-
19 cept as provided in paragraph (5)(A))”.

20 (c) EXTENSION OF COVERAGE FOR LOW-INCOME
21 CHILDREN.—Section 1925(b) of such Act (42 U.S.C.
22 1396r-6(b)) is amended by adding at the end the follow-
23 ing new paragraph:

24 “(6) EXTENSION OF COVERAGE FOR LOW-IN-
25 COME CHILDREN.—

1 “(A) IN GENERAL.—Notwithstanding any
2 other provision of this title, each State plan ap-
3 proved under this title shall provide that the
4 State shall offer (in the last month of the third
5 additional extension period provided under
6 paragraph (1)) to each eligible low-income child
7 who has received assistance pursuant to this
8 section during each of the 6-month periods de-
9 scribed in subsection (a) and paragraph (1) the
10 option of coverage under the State plan, in the
11 same manner and under the same conditions as
12 the option of extending coverage under para-
13 graph (1) for the second and third additional
14 extension periods provided under such para-
15 graph.

16 “(B) ELIGIBLE LOW-INCOME CHILD DE-
17 FINED.—In subparagraph (A), the term ‘eligi-
18 ble low-income child’ means an individual who
19 has not attained 18 years of age and whose
20 family income does not exceed 200 percent of
21 the official poverty line (as defined by the Of-
22 fice of Management and Budget, and revised
23 annually in accordance with section 673(2) of
24 the Omnibus Budget Reconciliation Act of

1 1981) applicable to a family of the size in-
2 volved.”.

3 (d) EFFECTIVE DATE.—The amendments made by
4 this section shall apply to calendar quarters beginning on
5 or after October 1, 1996, without regard to whether or
6 not final regulations to carry out such amendments have
7 been promulgated by such date.

8 **SEC. 202. TEMPORARY EXCLUSION OF EARNED INCOME**
9 **FOR PURPOSES OF DETERMINING RENT PAID**
10 **FOR UNITS IN FEDERALLY ASSISTED**
11 **HOUSING.**

12 (a) IN GENERAL.—Notwithstanding any other
13 provision of law, the amount of rent payable by a qualified
14 family for a qualified dwelling unit may not be increased
15 because of the increased income due to the employment
16 referred to in subsection (b)(2)(A) for the period that be-
17 gins upon the commencement of such employment and
18 ends—

19 (A) 24 months thereafter, or

20 (B) upon the first date after the commencement
21 of such employment that the income of the family
22 exceeds 200 percent of the official poverty line (as
23 defined by the Office of Management and Budget
24 and revised periodically in accordance with section

1 673(2) of the Omnibus Budget Reconciliation Act of
2 1981) applicable to a family of the size involved,
3 whichever occurs first.

4 (b) DEFINITIONS.—For purposes of this section, the
5 following definitions shall apply:

6 (1) QUALIFIED DWELLING UNIT.—The term
7 “qualified dwelling unit” means a dwelling unit—

8 (A) for which assistance is provided by the
9 Secretary of Housing and Urban Development
10 in the form of any grant, contract, loan, loan
11 guarantee, cooperative agreement, rental assist-
12 ance payment, interest subsidy, insurance, or
13 direct appropriation, or that is located in a
14 project for which such assistance is provided;
15 and

16 (B) for which the amount of rent paid by
17 the occupying family is limited, restricted, or
18 determined under law or regulation based on
19 the income of the family.

20 (2) QUALIFIED FAMILY.—The term “qualified
21 family” means a family—

22 (A) whose income increases as a result of
23 employment of a member of the family who was
24 previously unemployed; and

1 (B) who was receiving aid to families with
2 dependent children under a State plan approved
3 under part A of title IV of the Social Security
4 Act immediately before such employment.

5 **SEC. 203. CONTINUATION OF FOOD STAMP BENEFITS.**

6 (a) AMENDMENT.—Section 5(c) of the Food Stamp
7 Act of 1977 (7 U.S.C. 2014(c)) is amended by adding at
8 the end the following:

9 “Notwithstanding any other provision of this subsection,
10 in the case of a household that receives benefits under part
11 A of title IV of the Social Security Act and whose income
12 increases because a member of such household obtains em-
13 ployment, the earned income from such employment shall
14 be excluded during a 2-year period for purposes of deter-
15 mining eligibility under such standards unless the aggre-
16 gate income of such household exceeds the poverty line by
17 more than 200 percent.”.

18 (b) APPLICATION OF AMENDMENT.—The amendment
19 made by subsection (a) shall not apply with respect to cer-
20 tification periods beginning before the date of the enact-
21 ment of this Act.

1 **TITLE III—IMPROVING CHILD**
2 **SUPPORT ENFORCEMENT**
3 **Subtitle A—Eligibility and Other**
4 **Matters Concerning Title IV–D**
5 **Program Clients**

6 **SEC. 301. STATE OBLIGATION TO PROVIDE PATERNITY ES-**
7 **TABLISHMENT AND CHILD SUPPORT EN-**
8 **FORCEMENT SERVICES.**

9 (a) STATE LAW REQUIREMENTS.—Section 466(a)
10 (42 U.S.C. 666(a)) is amended by adding at the end the
11 following new paragraph:

12 “(12) USE OF CENTRAL CASE REGISTRY AND
13 CENTRALIZED COLLECTIONS UNIT.—Procedures
14 under which—

15 “(A) every child support order established
16 or modified in the State on or after October 1,
17 1998, is recorded in the central case registry
18 established in accordance with section 454A(e);
19 and

20 “(B) child support payments are collected
21 through the centralized collections unit estab-
22 lished in accordance with section 454B—

23 “(i) on and after October 1, 1998,
24 under each order subject to wage withhold-
25 ing under section 466(b); and

1 “(ii) on and after October 1, 1999,
2 under each other order required to be re-
3 corded in such central case registry under
4 this paragraph or section 454A(e), except
5 as provided in subparagraph (C); and

6 “(C)(i) parties subject to a child support
7 order described in subparagraph (B)(ii) may
8 opt out of the procedure for payment of support
9 through the centralized collections unit (but not
10 the procedure for inclusion in the central case
11 registry) by filing with State agency a written
12 agreement, signed by both parties, to an alter-
13 native payment procedure; and

14 “(ii) an agreement described in clause (i)
15 becomes void whenever either party advises the
16 State agency of an intent to vacate the agree-
17 ment.”.

18 (b) STATE PLAN REQUIREMENTS.—Section 454 (42
19 U.S.C. 654) is amended—

20 (1) by striking paragraph (4) and inserting the
21 following:

22 “(4) provide that such State will undertake—

23 “(A) to provide appropriate services under
24 this part to—

1 “(i) each child with respect to whom
2 an assignment is effective under section
3 402(a)(26), 471(a)(17), or 1912 (except in
4 cases where the State agency determines,
5 in accordance with paragraph (25), that it
6 is against the best interests of the child to
7 do so); and

8 “(ii) each child not described in clause
9 (i)—

10 “(I) with respect to whom an in-
11 dividual applies for such services; and

12 “(II) (on and after October 1,
13 1998) each child with respect to
14 whom a support order is recorded in
15 the central State case registry estab-
16 lished under section 454A, regardless
17 of whether application is made for
18 services under this part; and

19 “(B) to enforce the support obligation es-
20 tablished with respect to the custodial parent of
21 a child described in subparagraph (A) unless
22 the parties to the order which establishes the
23 support obligation have opted, in accordance
24 with section 466(a)(12)(C), for an alternative
25 payment procedure.”; and

1 (2) in paragraph (6)—

2 (A) by striking subparagraph (A) and in-
3 serting the following:

4 “(A) services under the State plan shall be
5 made available to nonresidents on the same
6 terms as to residents;”;

7 (B) in subparagraph (B)—

8 (i) by inserting “on individuals not re-
9 ceiving assistance under part A” after
10 “such services shall be imposed”; and

11 (ii) by inserting “but no fees or costs
12 shall be imposed on any absent or custo-
13 dial parent or other individual for inclusion
14 in the central State registry maintained
15 pursuant to section 454A(e)”; and

16 (C) in each of subparagraphs (B), (C), and
17 (D)—

18 (i) by indenting such subparagraph
19 and aligning its left margin with the left
20 margin of subparagraph (A); and

21 (ii) by striking the final comma and
22 inserting a semicolon.

23 (c) CONFORMING AMENDMENTS.—

1 (1) Section 452(g)(2)(A) (42 U.S.C.
2 652(g)(2)(A)) is amended by striking “454(6)” each
3 place it appears and inserting “454(4)(A)(ii)”.

4 (2) Section 454(23) (42 U.S.C. 654(23)) is
5 amended, effective October 1, 1998, by striking “in-
6 formation as to any application fees for such services
7 and”.

8 (3) Section 466(a)(3)(B) (42 U.S.C.
9 666(a)(3)(B)) is amended by striking “in the case of
10 overdue support which a State has agreed to collect
11 under section 454(6)” and inserting “in any other
12 case”.

13 (4) Section 466(e) (42 U.S.C. 666(e)) is
14 amended by striking “or (6)”.

15 **SEC. 302. DISTRIBUTION OF PAYMENTS.**

16 (a) DISTRIBUTIONS THROUGH STATE CHILD SUP-
17 PORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE
18 RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is
19 amended—

20 (1) in subparagraph (A)—

21 (A) by inserting “except as otherwise spe-
22 cifically provided in section 464 or 466(a)(3),”
23 after “is effective,”; and

24 (B) by striking “except that” and all that
25 follows through the semicolon; and

1 (2) in subparagraph (B), by striking “, except”
2 and all that follows through “medical assistance”.

3 (b) DISTRIBUTION TO A FAMILY CURRENTLY RE-
4 RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amend-
5 ed—

6 (1) by striking subsection (a) and redesignating
7 subsection (b) as subsection (a);

8 (2) in subsection (a), as redesignated—

9 (A) in the matter preceding paragraph (2),
10 to read as follows:

11 “(a) IN THE CASE OF A FAMILY RECEIVING
12 AFDC.—Amounts collected under this part during any
13 month as support of a child who is receiving assistance
14 under part A (or a parent or caretaker relative of such
15 a child) shall (except in the case of a State exercising the
16 option under subsection (b)) be distributed as follows:

17 “(1) an amount equal to the amount that will
18 be disregarded pursuant to section 402(a)(8)(A)(vi)
19 shall be taken from each of—

20 (A) amounts received in a month which
21 represent payments for that month; and

22 (B) amounts received in a month which
23 represent payments for a prior month which
24 were made by the absent parent in the month
25 when due;

1 and shall be paid to the family without affecting its
2 eligibility for assistance or decreasing any amount
3 otherwise payable as assistance to such family dur-
4 ing such month;”;

5 (B) in paragraph (4), by striking “or (B)”
6 and all that follows and inserting “; then (B)
7 from any remainder, amounts equal to arrear-
8 ages of such support obligations assigned, pur-
9 suant to part A, to any other State or States
10 shall be paid to such other State or States and
11 used to any such arrearages (with appropriate
12 reimbursement of the Federal Government to
13 the extent of its participation in the financing);
14 and then (C) any remainder shall be paid to the
15 family.”.

16 (3) by inserting after subsection (a), as redesign-
17 nated, the following new subsection:

18 “(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAM-
19 ILY RECEIVING AFDC.—In the case of a State electing
20 the option under this subsection, amounts collected as de-
21 scribed in subsection (a) shall be distributed as follows:

22 “(1) an amount equal to the amount that will
23 be disregarded pursuant to section 402(a)(8)(A)(vi)
24 shall be taken from each of—

1 “(A) amounts received in a month which
2 represent payments for that month; and

3 “(B) amounts received in a month which
4 represent payments for a prior month which
5 were made by the absent parent in the month
6 when due;

7 and shall be paid to the family without affecting its
8 eligibility for assistance or decreasing any amount
9 otherwise payable as assistance to such family dur-
10 ing such month;

11 “(2) second, from any remainder, amounts
12 equal to the balance of support owed for the current
13 month shall be paid to the family;

14 “(3) third, from any remainder, amounts equal
15 to arrearages of such support obligations assigned,
16 pursuant to part A, to the State making the collec-
17 tion shall be retained and used by such State to pay
18 any such arrearages (with appropriate reimburse-
19 ment of the Federal Government to the extent of its
20 participation in the financing);

21 “(4) fourth, from any remainder, amounts
22 equal to arrearages of such support obligations as-
23 signed, pursuant to part A, to any other State or
24 States shall be paid to such other State or States
25 and used to pay any such arrearages (with appro-

1 appropriate reimbursement of the Federal Government to
2 the extent of its participation in the financing); and

3 “(5) fifth, any remainder shall be paid to the
4 family.”.

5 (c) DISTRIBUTION TO A FAMILY NOT RECEIVING
6 AFDC.—

7 (1) IN GENERAL.—Section 457(c) (42 U.S.C.
8 657(c)) is amended to read as follows:

9 “(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—
10 Amounts collected by a State agency under this part dur-
11 ing any month as support of a child who is not receiving
12 assistance under part A (or of a parent or caretaker rel-
13 ative of such a child) shall (subject to the remaining provi-
14 sions of this section) be distributed as follows:

15 “(1) first, amounts equal to the total of such
16 support owed for such month shall be paid to the
17 family;

18 “(2) second, from any remainder, amounts
19 equal to arrearages of such support obligations for
20 months during which such child did not receive as-
21 sistance under part A shall be paid to the family;

22 “(3) third, from any remainder, amounts equal
23 to arrearages of such support obligations assigned to
24 the State making the collection pursuant to part A
25 shall be retained and used by such State to pay any

1 such arrearages (with appropriate reimbursement of
2 the Federal Government to the extent of its partici-
3 pation in the financing);

4 “(4) fourth, from any remainder, amounts
5 equal to arrearages of such support obligations as-
6 signed to any other State pursuant to part A shall
7 be paid to such other State or States, and used to
8 pay such arrearages, in the order in which such ar-
9 rearages accrued (with appropriate reimbursement
10 of the Federal Government to the extent of its par-
11 ticipation in the financing).”.

12 (2) EFFECTIVE DATE.—The amendment made
13 by paragraph (1) shall take effect on October 1,
14 1999.

15 (d) DISTRIBUTION TO A CHILD RECEIVING ASSIST-
16 ANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C.
17 657(d)) is amended, in the matter preceding paragraph
18 (1), by striking “Notwithstanding the preceding provisions
19 of this section, amounts” and inserting the following:

20 “(d) IN CASE OF A CHILD RECEIVING ASSISTANCE
21 UNDER TITLE IV-E.—Amounts”.

22 (e) REGULATIONS.—The Secretary of Health and
23 Human Services shall promulgate regulations—

24 (1) under part D of title IV of the Social Secu-
25 rity Act, establishing a uniform nationwide standard

1 for allocation of child support collections from an ob-
2 ligor owing support to more than one family; and

3 (2) under part A of such title, establishing
4 standards applicable to States electing the alter-
5 native formula under section 457(b) of such Act for
6 distribution of collections on behalf of families re-
7 ceiving Aid to Families with Dependent Children,
8 designed to minimize irregular monthly payments to
9 such families.

10 (f) CLERICAL AMENDMENT.—Section 454 (42 U.S.C.
11 654) is amended—

12 (1) in paragraph (11), by striking “(11)” and
13 inserting “(11)(A)”; and

14 (2) by redesignating paragraph (12) as sub-
15 paragraph (B) of paragraph (11).

16 (g) MANDATORY CHILD SUPPORT PASS-THROUGH.—

17 (1) IN GENERAL.—Section 402(a)(8)(A)(vi) (42
18 U.S.C. 602(a)(8)(A)(vi)) is amended—

19 (A) by striking “\$50” each place such
20 term appears and inserting “\$50, or, if greater,
21 \$50 adjusted by the CPI (as prescribed in sec-
22 tion 406(i));”; and

23 (B) by striking the semicolon at the end
24 and inserting “or, in lieu of each dollar amount
25 specified in this clause, such greater amount as

1 the State may choose (and provide for in its
2 State plan);”.

3 (2) CPI ADJUSTMENT.—Section 406 (42
4 U.S.C. 606) is amended by adding at the end the
5 following:

6 “(i) For purposes of this part, an amount is ‘adjusted
7 by the CPI’ for any month in a calendar year by multiply-
8 ing the amount involved by the ratio of—

9 “(1) the Consumer Price Index (as prepared by
10 the Department of Labor) for the third quarter of
11 the preceding calendar year, to

12 “(2) such Consumer Price Index for the third
13 quarter of calendar year 1996,

14 and rounding the product, if not a multiple of \$10, to the
15 nearer multiple of \$10.”.

16 **SEC. 303. DUE PROCESS RIGHTS.**

17 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
18 amended by section 102(f) of this Act, is amended by in-
19 serting after paragraph (11) the following new paragraph:

20 “(12) provide for procedures to ensure that—

21 “(A) individuals who are applying for or
22 receiving services under this part, or are parties
23 to cases in which services are being provided
24 under this part—

1 “(i) receive notice of all proceedings in
2 which support obligations might be estab-
3 lished or modified; and

4 “(ii) receive a copy of any order estab-
5 lishing or modifying a child support obliga-
6 tion, or (in the case of a petition for modi-
7 fication) a notice of determination that
8 there should be no change in the amount
9 of the child support award, within 14 days
10 after issuance of such order or determina-
11 tion;

12 “(B) individuals applying for or receiving
13 services under this part have access to a fair
14 hearing that meets standards established by the
15 Secretary and ensures prompt consideration
16 and resolution of complaints (but the resort to
17 such procedure shall not stay the enforcement
18 of any support order); and

19 “(C)(i) individuals adversely affected by
20 the establishment or modification of (or, in the
21 case of a petition for modification, the deter-
22 mination that there should be no change in) a
23 child support order shall be afforded not less
24 than 30 days after the receipt of the order or

1 determination to initiate proceedings to chal-
2 lenge such order or determination; and

3 “(ii) the State may not provide to any
4 noncustodial parent of a child representation re-
5 lating to the establishment or modification of
6 an order for the payment of child support with
7 respect to that child, unless the State makes
8 provision for such representation outside the
9 State agency;”.

10 (b) EFFECTIVE DATE.—The amendment made by
11 subsection (a) shall become effective on October 1, 1997.

12 **SEC. 304. PRIVACY SAFEGUARDS.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42
14 U.S.C. 454) is amended—

15 (1) by striking “and” at the end of paragraph
16 (23);

17 (2) by striking the period at the end of para-
18 graph (24) and inserting “; and”; and

19 (3) by adding after paragraph (24) the follow-
20 ing:

21 “(25) will have in effect safeguards applicable
22 to all sensitive and confidential information handled
23 by the State agency designed to protect the privacy
24 rights of the parties, including—

1 “(A) safeguards against unauthorized use
2 or disclosure of information relating to proceed-
3 ings or actions to establish paternity, or to es-
4 tablish or enforce support;

5 “(B) prohibitions on the release of infor-
6 mation on the whereabouts of one party to an-
7 other party against whom a protective order
8 with respect to the former party has been en-
9 tered; and

10 “(C) prohibitions on the release of infor-
11 mation on the whereabouts of one party to an-
12 other party if the State has reason to believe
13 that the release of the information may result
14 in physical or emotional harm to the former
15 party.”.

16 (b) EFFECTIVE DATE.—The amendment made by
17 subsection (a) shall become effective on October 1, 1997.

18 **Subtitle B—Program**
19 **Administration and Funding**

20 **SEC. 311. FEDERAL MATCHING PAYMENTS.**

21 (a) INCREASED BASE MATCHING RATE.—Section
22 455(a)(2) (42 U.S.C. 655(a)(2)) is amended to read as
23 follows:

24 “(2) The applicable percent for a quarter for
25 purposes of paragraph (1)(A) is—

1 “(A) for fiscal year 1997, 69 percent,
2 “(B) for fiscal year 1998, 72 percent, and
3 “(C) for fiscal year 1999 and succeeding
4 fiscal years, 75 percent.”.

5 (b) MAINTENANCE OF EFFORT.—Section 455 (42
6 U.S.C. 655) is amended—

7 (1) in subsection (a)(1), in the matter preced-
8 ing subparagraph (A), by striking “From” and in-
9 serting “Subject to subsection (c), from”; and
10 (2) by inserting after subsection (b) the follow-
11 ing new subsection:

12 “(c) MAINTENANCE OF EFFORT.—Notwithstanding
13 the provisions of subsection (a), total expenditures for the
14 State program under this part for fiscal year 1997 and
15 each succeeding fiscal year, reduced by the percentage
16 specified for such fiscal year under subsection (a)(2) (A),
17 (B), or (C)(i), shall not be less than such total expendi-
18 tures for fiscal year 1996, reduced by 66 percent.”.

19 **SEC. 312. PERFORMANCE-BASED INCENTIVES AND PEN-**
20 **ALTIES.**

21 (a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCH-
22 ING RATE.—Section 458 (42 U.S.C. 658) is amended to
23 read as follows:

24 “INCENTIVE ADJUSTMENTS TO MATCHING RATE

25 “SEC. 458. (a) INCENTIVE ADJUSTMENT.—

1 “(1) IN GENERAL.—In order to encourage and
2 reward State child support enforcement programs
3 which perform in an effective manner, the Federal
4 matching rate for payments to a State under section
5 455(a)(1)(A), for each fiscal year beginning on or
6 after October 1, 1998, shall be increased by a factor
7 reflecting the sum of the applicable incentive adjust-
8 ments (if any) determined in accordance with regu-
9 lations under this section with respect to Statewide
10 paternity establishment and to overall performance
11 in child support enforcement.

12 “(2) STANDARDS.—

13 “(A) IN GENERAL.—The Secretary shall
14 specify in regulations—

15 “(i) the levels of accomplishment, and
16 rates of improvement as alternatives to
17 such levels, which States must attain to
18 qualify for incentive adjustments under
19 this section; and

20 “(ii) the amounts of incentive adjust-
21 ment that shall be awarded to States
22 achieving specified accomplishment or im-
23 provement levels, which amounts shall be
24 graduated, ranging up to—

1 “(I) 5 percentage points, in con-
2 nection with Statewide paternity es-
3 tablishment; and

4 “(II) 10 percentage points, in
5 connection with overall performance in
6 child support enforcement.

7 “(B) LIMITATION.—In setting performance
8 standards pursuant to subparagraph (A)(i) and
9 adjustment amounts pursuant to subparagraph
10 (A)(ii), the Secretary shall ensure that the ag-
11 gregate number of percentage point increases as
12 incentive adjustments to all States do not ex-
13 ceed such aggregate increases as assumed by
14 the Secretary in estimates of the cost of this
15 section as of June 1995, unless the aggregate
16 performance of all States exceeds the projected
17 aggregate performance of all States in such cost
18 estimates.

19 “(3) DETERMINATION OF INCENTIVE ADJUST-
20 MENT.—The Secretary shall determine the amount
21 (if any) of incentive adjustment due each State on
22 the basis of the data submitted by the State pursu-
23 ant to section 454(15)(B) concerning the levels of
24 accomplishment (and rates of improvement) with re-

1 spect to performance indicators specified by the Sec-
2 retary pursuant to this section.

3 “(4) FISCAL YEAR SUBJECT TO INCENTIVE AD-
4 JUSTMENT.—The total percentage point increase de-
5 termined pursuant to this section with respect to a
6 State program in a fiscal year shall apply as an ad-
7 justment to the applicable percent under section
8 455(a)(2) for payments to such State for the suc-
9 ceeding fiscal year.

10 “(5) RECYCLING OF INCENTIVE ADJUST-
11 MENT.—A State shall expend in the State program
12 under this part all funds paid to the State by the
13 Federal Government as a result of an incentive ad-
14 justment under this section.

15 “(b) MEANING OF TERMS.—For purposes of this sec-
16 tion—

17 “(1) the term ‘Statewide paternity establish-
18 ment percentage’ means, with respect to a fiscal
19 year, the ratio (expressed as a percentage) of—

20 “(A) the total number of out-of-wedlock
21 children in the State under one year of age for
22 whom paternity is established or acknowledged
23 during the fiscal year, to

1 “(B) the total number of children born out
2 of wedlock in the State during such fiscal year;
3 and

4 “(2) the term ‘overall performance in child sup-
5 port enforcement’ means a measure or measures of
6 the effectiveness of the State agency in a fiscal year
7 which takes into account factors including—

8 “(A) the percentage of cases requiring a
9 child support order in which such an order was
10 established;

11 “(B) the percentage of cases in which child
12 support is being paid;

13 “(C) the ratio of child support collected to
14 child support due; and

15 “(D) the cost-effectiveness of the State
16 program, as determined in accordance with
17 standards established by the Secretary in regu-
18 lations.”.

19 (b) ADJUSTMENT OF PAYMENTS UNDER PART D OF
20 TITLE IV.—Section 455(a)(2) (42 U.S.C. 655(a)(2)), as
21 amended by section 111(a) of this Act, is amended—

22 (1) by striking the period at the end of sub-
23 paragraph (C)(ii) and inserting a comma; and

1 (2) by adding after and below subparagraph
2 (C), flush with the left margin of the subsection, the
3 following:

4 “increased by the incentive adjustment factor (if any) de-
5 termined by the Secretary pursuant to section 458.”.

6 (c) CONFORMING AMENDMENTS.—Section 454(22)
7 (42 U.S.C. 654(22)) is amended—

8 (1) by striking “incentive payments” the first
9 place it appears and inserting “incentive adjust-
10 ments”; and

11 (2) by striking “any such incentive payments
12 made to the State for such period” and inserting
13 “any increases in Federal payments to the State re-
14 sulting from such incentive adjustments”.

15 (d) CALCULATION OF IV-D PATERNITY ESTABLISH-
16 MENT PERCENTAGE.—(1) Section 452(g)(1) (42 U.S.C.
17 652(g)(1)) is amended in the matter preceding subpara-
18 graph (A) by inserting “its overall performance in child
19 support enforcement is satisfactory (as defined in section
20 458(b) and regulations of the Secretary), and” after
21 “1994,”.

22 (2) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
23 amended—

24 (A) in subparagraph (A), in the matter preced-
25 ing clause (i)—

1 (i) by striking “paternity establishment
2 percentage” and inserting “IV-D paternity es-
3 tablishment percentage”; and

4 (ii) by striking “(or all States, as the case
5 may be)”;

6 (B) in subparagraph (A)(i), by striking “during
7 the fiscal year”;

8 (C) in subparagraph (A)(ii)(I), by striking “as
9 of the end of the fiscal year” and inserting “in the
10 fiscal year or, at the option of the State, as of the
11 end of such year”;

12 (D) in subparagraph (A)(ii)(II), by striking “or
13 (E) as of the end of the fiscal year” and inserting
14 “in the fiscal year or, at the option of the State, as
15 of the end of such year”;

16 (E) in subparagraph (A)(iii)—

17 (i) by striking “during the fiscal year”;
18 and

19 (ii) by striking “and” at the end; and

20 (F) in the matter following subparagraph (A)—

21 (i) by striking “who were born out of wed-
22 lock during the immediately preceding fiscal
23 year” and inserting “born out of wedlock”;

1 (ii) by striking “such preceding fiscal
2 year” both places it appears and inserting “the
3 preceding fiscal year”; and

4 (iii) by striking “or (E)” the second place
5 it appears.

6 (3) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
7 amended—

8 (A) by striking subparagraph (A) and redesignating
9 subparagraphs (B) and (C) as subparagraphs
10 (A) and (B), respectively;

11 (B) in subparagraph (A), as redesignated, by
12 striking “the percentage of children born out-of-wed-
13 lock in the State” and inserting “the percentage of
14 children in the State who are born out of wedlock
15 or for whom support has not been established”; and

16 (C) in subparagraph (B), as redesignated—

17 (i) by inserting “and overall performance
18 in child support enforcement” after “paternity
19 establishment percentages”; and

20 (ii) by inserting “and securing support”
21 before the period.

22 (e) REDUCTION OF PAYMENTS UNDER PART D OF
23 TITLE IV.—

1 (1) NEW REQUIREMENTS.—Section 455 (42
2 U.S.C. 655) is amended by inserting after sub-
3 section (b) the following:

4 “(c)(1) If the Secretary finds, with respect to a State
5 program under this part in a fiscal year beginning on or
6 after October 1, 1997—

7 “(A)(i) on the basis of data submitted by a
8 State pursuant to section 454(15)(B), that the State
9 program in such fiscal year failed to achieve the IV-
10 D paternity establishment percentage (as defined in
11 section 452(g)(2)(A)) or the appropriate level of
12 overall performance in child support enforcement (as
13 defined in section 458(b)(2)), or to meet other per-
14 formance measures that may be established by the
15 Secretary, or

16 “(ii) on the basis of an audit or audits of such
17 State data conducted pursuant to section
18 452(a)(4)(C), that the State data submitted pursu-
19 ant to section 454(15)(B) is incomplete or unreli-
20 able; and

21 “(B) that, with respect to the succeeding fiscal
22 year—

23 “(i) the State failed to take sufficient cor-
24 rective action to achieve the appropriate per-

1 formance levels as described in subparagraph
2 (A)(i) of the paragraph, or

3 “(ii) the data submitted by the State pur-
4 suant to section 454(15)(B) is incomplete or
5 unreliable,

6 the amounts otherwise payable to the State under this
7 part for quarters following the end of such succeeding fis-
8 cal year, prior to quarters following the end of the first
9 quarter throughout which the State program is in compli-
10 ance with such performance requirement, shall be reduced
11 by the percentage specified in paragraph (2).

12 “(2) The reductions required under paragraph (1)
13 shall be—

14 “(A) not less than 6 nor more than 8 percent,
15 or

16 “(B) not less than 8 nor more than 12 percent,
17 if the finding is the second consecutive finding made
18 pursuant to paragraph (1), or

19 “(C) not less than 12 nor more than 15 per-
20 cent, if the finding is the third or a subsequent con-
21 secutive such finding.

22 “(3) For purposes of this subsection, section
23 402(a)(27), and section 452(a)(4), a State which is deter-
24 mined as a result of an audit to have submitted incomplete
25 or unreliable data pursuant to section 454(15)(B), shall

1 be determined to have submitted adequate data if the Sec-
2 retary determines that the extent of the incompleteness
3 or unreliability of the data is of a technical nature which
4 does not adversely affect the determination of the level of
5 the State's performance.”.

6 (2) CONFORMING AMENDMENTS.—

7 (A) Section 403 (42 U.S.C. 603) is amend-
8 ed by striking subsection (h).

9 (B) Section 452(a)(4) (42 U.S.C.
10 652(a)(4)) is amended by striking “403(h)”
11 each place such term appears and inserting
12 “455(c)”.

13 (C) Subsections (d)(3)(A), (g)(1), and
14 (g)(3)(A) of section 452 (42 U.S.C. 652) are
15 each amended by striking “403(h)” and insert-
16 ing “455(c)”.

17 (f) EFFECTIVE DATES.—

18 (1) INCENTIVE ADJUSTMENTS.—

19 (A) The amendments made by subsections
20 (a), (b), and (c) shall become effective October
21 1, 1997, except to the extent provided in sub-
22 paragraph (B).

23 (B) Section 458 of the Social Security Act,
24 as in effect prior to the enactment of this sec-
25 tion, shall be effective for purposes of incentive

1 payments to States for fiscal years prior to fis-
2 cal year 1999.

3 (2) PENALTY REDUCTIONS.—

4 (A) The amendments made by subsection
5 (d) shall become effective with respect to cal-
6 endar quarters beginning on and after the date
7 of enactment of this Act.

8 (B) The amendments made by subsection
9 (e) shall become effective with respect to cal-
10 endar quarters beginning on and after the date
11 one year after the date of enactment of this
12 Act.

13 **SEC. 313. FEDERAL AND STATE REVIEWS AND AUDITS.**

14 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
15 U.S.C. 654) is amended—

16 (1) in paragraph (14), by striking “(14)” and
17 insert “(14)(A)”;

18 (2) by redesignating paragraph (15) as sub-
19 paragraph (B) of paragraph (14); and

20 (3) by inserting after paragraph (14) the fol-
21 lowing new paragraph:

22 “(15) provide for—

23 “(A) a process for annual reviews of and
24 reports to the Secretary on the State program
25 under this part, which shall include such infor-

1 mation as may be necessary to measure State
2 compliance with Federal requirements for expedited
3 procedures and timely case processing,
4 using such standards and procedures as are required
5 by the Secretary, under which the State
6 agency will determine the extent to which such
7 program is in conformity with applicable requirements
8 with respect to the operation of State programs
9 under this part (including the status of complaints
10 filed under the procedure required under paragraph
11 (12)(B)); and

12 “(B) a process of extracting from the
13 State automated data processing system and transmitting
14 to the Secretary data and calculations concerning the
15 levels of accomplishment (and rates of improvement)
16 with respect to applicable performance indicators
17 (including IV-D paternity establishment percentages
18 and overall performance in child support enforcement)
19 to the extent necessary for purposes of sections
20 452(g) and 458.”.

22 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
23 U.S.C. 652(a)(4)) is amended to read as follows:

24 “(4)(A) review data and calculations transmitted
25 by State agencies pursuant to section

1 454(15)(B) on State program accomplishments with
2 respect to performance indicators for purposes of
3 section 452(g) and 458, and determine the amount
4 (if any) of penalty reductions pursuant to section
5 455(c) to be applied to the State;

6 “(B) review annual reports by State agencies
7 pursuant to section 454(15)(A) on State program
8 conformity with Federal requirements; evaluate any
9 elements of a State program in which significant de-
10 ficiencies are indicated by such report on the status
11 of complaints under the State procedure under sec-
12 tion 454(12)(B); and, as appropriate, provide to the
13 State agency comments, recommendations for addi-
14 tional or alternative corrective actions, and technical
15 assistance; and

16 “(C) conduct audits, in accordance with the
17 government auditing standards of the United States
18 Comptroller General—

19 “(i) at least once every 3 years (or more
20 frequently, in the case of a State which fails to
21 meet requirements of this part, or of regula-
22 tions implementing such requirements, concern-
23 ing performance standards and reliability of
24 program data) to assess the completeness, reli-
25 ability, and security of the data, and the accu-

1 racy of the reporting systems, used for the cal-
2 culations of performance indicators specified in
3 subsection (g) and section 458;

4 “(ii) of the adequacy of financial manage-
5 ment of the State program, including assess-
6 ments of—

7 “(I) whether Federal and other funds
8 made available to carry out the State pro-
9 gram under this part are being appro-
10 priately expended, and are properly and
11 fully accounted for; and

12 “(II) whether collections and disburse-
13 ments of support payments and program
14 income are carried out correctly and are
15 properly and fully accounted for; and

16 “(iii) for such other purposes as the Sec-
17 retary may find necessary;”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall be effective with respect to calendar
20 quarters beginning on or after the date one year after en-
21 actment of this section.

22 **SEC. 314. REQUIRED REPORTING PROCEDURES.**

23 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
24 652(a)(5)) is amended by inserting “, and establish proce-
25 dures to be followed by States for collecting and reporting

1 information required to be provided under this part, and
2 establish uniform definitions (including those necessary to
3 enable the measurement of State compliance with the re-
4 quirements of this part relating to expedited processes and
5 timely case processing) to be applied in following such pro-
6 cedures” before the semicolon.

7 (b) STATE PLAN REQUIREMENT.—Section 454 (42
8 U.S.C. 654), as amended by section 104(a) of this Act,
9 is amended—

10 (1) by striking “and” at the end of paragraph
11 (24);

12 (2) by striking the period at the end of para-
13 graph (25) and inserting “; and”; and

14 (3) by adding after paragraph (25) the follow-
15 ing:

16 “(26) provide that the State shall use the defi-
17 nitions established under section 452(a)(5) in col-
18 lecting and reporting information as required under
19 this part.”.

20 **SEC. 315. AUTOMATED DATA PROCESSING REQUIREMENTS.**

21 (a) REVISED REQUIREMENTS.—

22 (1) Section 454(16) (42 U.S.C. 654(16)) is
23 amended—

24 (A) by striking “, at the option of the
25 State,”;

1 (B) by inserting “and operation by the
2 State agency” after “for the establishment”;

3 (C) by inserting “meeting the requirements
4 of section 454A” after “information retrieval
5 system”;

6 (D) by striking “in the State and localities
7 thereof, so as (A)” and inserting “so as”;

8 (E) by striking “(i)”; and

9 (F) by striking “(including” and all that
10 follows and inserting a semicolon.

11 (2) Part D of title IV (42 U.S.C. 651–669) is
12 amended by inserting after section 454 the following
13 new section:

14 “AUTOMATED DATA PROCESSING

15 “SEC. 454A. (a) IN GENERAL.—In order to meet the
16 requirements of this section, for purposes of the require-
17 ment of section 454(16), a State agency shall have in op-
18 eration a single statewide automated data processing and
19 information retrieval system which has the capability to
20 perform the tasks specified in this section, and perform
21 such tasks with the frequency and in the manner specified
22 in this part or in regulations or guidelines of the Sec-
23 retary.

24 “(b) PROGRAM MANAGEMENT.—The automated sys-
25 tem required under this section shall perform such func-

1 tions as the Secretary may specify relating to management
2 of the program under this part, including—

3 “(1) controlling and accounting for use of Fed-
4 eral, State, and local funds to carry out such pro-
5 gram; and

6 “(2) maintaining the data necessary to meet
7 Federal reporting requirements on a timely basis.

8 “(c) CALCULATION OF PERFORMANCE INDICA-
9 TORS.—In order to enable the Secretary to determine the
10 incentive and penalty adjustments required by sections
11 452(g) and 458, the State agency shall—

12 “(1) use the automated system—

13 “(A) to maintain the requisite data on
14 State performance with report to paternity es-
15 tablishment and child support enforcement in
16 the State; and

17 “(B) to calculate the IV-D paternity es-
18 tablishment percentage and overall performance
19 in child support enforcement for the State for
20 each fiscal year; and

21 “(2) have in place systems controls to ensure
22 the completeness, and reliability of, and ready access
23 to, the data described in paragraph (1)(A), and the
24 accuracy of the calculations described in paragraph
25 (1)(B).

1 “(d) INFORMATION INTEGRITY AND SECURITY.—The
2 State agency shall have in effect safeguards on the integ-
3 rity, accuracy, and completeness of, access to, and use of
4 data in the automated system required under this section,
5 which shall include the following (in addition to such other
6 safeguards as the Secretary specifies in regulations):

7 “(1) POLICIES RESTRICTING ACCESS.—Written
8 policies concerning access to data by State agency
9 personnel, and sharing of data with other persons,
10 which—

11 “(A) permit access to and use of data only
12 to the extent necessary to carry out program re-
13 sponsibilities;

14 “(B) specify the data which may be used
15 for particular program purposes, and the per-
16 sonnel permitted access to such data; and

17 “(C) ensure that data obtained or disclosed
18 for a limited program purpose is not used or
19 redisclosed for another, impermissible purpose.

20 “(2) SYSTEMS CONTROLS.—Systems controls
21 (such as passwords or blocking of fields) to ensure
22 strict adherence to the policies specified under para-
23 graph (1).

24 “(3) MONITORING OF ACCESS.—Routine mon-
25 itoring of access to and use of the automated sys-

1 tem, through methods such as audit trails and feed-
2 back mechanism, to guard against and promptly
3 identify unauthorized access or use.

4 “(4) TRAINING AND INFORMATION.—The State
5 agency shall have in effect procedures to ensure that
6 all personnel (including State and local agency staff
7 and contractors) who may have access to or be re-
8 quired to use sensitive or confidential program data
9 are fully informed of applicable requirements and
10 penalties, and are adequately trained in security pro-
11 cedures.

12 “(5) PENALTIES.—The State agency shall have
13 in effect administrative penalties (up to and includ-
14 ing dismissal from employment) for unauthorized ac-
15 cess to, or disclosure or use of, confidential data.”.

16 (3) REGULATIONS.—Section 452 (42 U.S.C.
17 652) is amended by adding at the end the following:

18 “(j) The Secretary shall prescribe final regulations
19 for implementation of the requirements of section 454A
20 not later than 2 years after the date of enactment of this
21 subsection.”.

22 (4) IMPLEMENTATION TIMETABLE.—Section
23 454(24) (42 U.S.C. 654(24)), as amended by sec-
24 tions 304(a)(2) and 314(b)(1) of this Act, is amend-
25 ed to read as follows:

1 “(24) provide that the State will have in effect
2 an automated data processing and information re-
3 trieval system—

4 “(A) by October 1, 1995, meeting all re-
5 quirements of this part which were enacted on
6 or before the date of enactment of the Family
7 Support Act of 1988; and

8 “(B) by October 1, 1999, meeting all re-
9 quirements of this part enacted on or before the
10 date of enactment of this Act.

11 (but this provision shall not be construed to alter
12 earlier deadlines specified for elements of such sys-
13 tem), except that such deadline shall be extended by
14 1 day for each day (if any) by which the Secretary
15 fails to meet the deadline imposed by section
16 452(j);”.

17 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
18 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section
19 455(a) (42 U.S.C. 655(a)) is amended—

20 (1) in paragraph (1)(B)—

21 (A) by striking “90 percent” and inserting
22 “the percent specified in paragraph (3)”;

23 (B) by striking “so much of”; and

24 (C) by striking “which the Secretary” and
25 all that follows and inserting “, and”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(3)(A) The Secretary shall pay to each State, for
4 each quarter in fiscal year 1996, 90 percent of so much
5 of State expenditures described in subparagraph (1)(B) as
6 the Secretary finds are for a system meeting the require-
7 ments specified in section 454(16), or meeting such re-
8 quirements without regard to clause (D) thereof.

9 “(B)(i) The Secretary shall pay to each State, for
10 each quarter in fiscal years 1997 through 2001, the per-
11 centage specified in clause (ii) of so much of State expend-
12 itures described in subparagraph (1)(B) as the Secretary
13 finds are for a system meeting the requirements specified
14 in section 454(16) and 454A, subject to clause (iii).

15 “(ii) The percentage specified in this clause, for pur-
16 poses of clause (i), is the higher of—

17 “(I) 80 percent, or

18 “(II) the percentage otherwise applicable to
19 Federal payments to the State under subparagraph
20 (A) (as adjusted pursuant to section 458).”.

21 (c) CONFORMING AMENDMENT.—Section 123(c) of
22 the Family Support Act of 1988 (102 Stat. 2352; Public
23 Law 100–485) is repealed.

24 (d) ADDITIONAL PROVISIONS.—For additional provi-
25 sions of section 454A, as added by subsection (a) of this

1 section, see the amendments made by sections 21, 322(c),
2 and 333(d) of this Act.

3 **SEC. 316. DIRECTOR OF CSE PROGRAM; STAFFING STUDY.**

4 (a) REPORTING TO SECRETARY.—Section 452(a) (42
5 U.S.C. 652(a)) is amended in the matter preceding para-
6 graph (1) by striking “directly”.

7 (b) STAFFING STUDIES.—

8 (1) SCOPE.—The Secretary of Health and
9 Human Services shall, directly or by contract, con-
10 duct studies of the staffing of each State child sup-
11 port enforcement program under part D of title IV
12 of the Social Security Act. Such studies shall include
13 a review of the staffing needs created by require-
14 ments for automated data processing, maintenance
15 of a central case registry and centralized collections
16 of child support, and of changes in these needs re-
17 sulting from changes in such requirements. Such
18 studies shall examine and report on effective staffing
19 practices used by the States and on recommended
20 staffing procedures.

21 (2) FREQUENCY OF STUDIES.—The Secretary
22 shall complete the first staffing study required under
23 paragraph (1) by October 1, 1997, and may conduct
24 additional studies subsequently at appropriate inter-
25 vals.

1 “(i) the total amount of child support
2 payments collected as a result of services
3 furnished during such fiscal year to indi-
4 viduals receiving services under this part;

5 “(ii) the cost to the States and to the
6 Federal Government of furnishing such
7 services to those individuals; and

8 “(iii) the number of cases involving
9 families—

10 “(I) who became ineligible for aid
11 under part A during a month in such
12 fiscal year; and

13 “(II) with respect to whom a
14 child support payment was received in
15 the same month;”.

16 (2) Section 452(a)(10)(C) (42 U.S.C. 652(a)(10)(C))
17 is amended—

18 (A) in the matter preceding clause (i)—

19 (i) by striking “with the data required
20 under each clause being separately stated for
21 cases” and inserting “separately stated for (1)
22 cases”;

23 (ii) by striking “cases where the child was
24 formerly receiving” and inserting “or formerly
25 received”;

1 (iii) by inserting “or 1912” after
2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all other”;
4 (B) in each of clauses (i) and (ii), by striking
5 “, and the total amount of such obligations”;

6 (C) in clause (iii), by striking “described in”
7 and all that follows and inserting “in which support
8 was collected during the fiscal year.”;

9 (D) by striking clause (iv); and

10 (E) by redesignating clause (v) as clause (vii),
11 and inserting after clause (iii) the following new
12 clauses:

13 “(iv) the total amount of support col-
14 lected during such fiscal year and distrib-
15 uted as current support;

16 “(v) the total amount of support col-
17 lected during such fiscal year and distrib-
18 uted as arrearages;

19 “(vi) the total amount of support due
20 and unpaid for all fiscal years; and”.

21 (3) Section 452(a)(10)(G) (42 U.S.C. 652(a)(10)(G))
22 is amended by striking “on the use of Federal courts
23 and”.

24 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10)) is
25 amended by striking all that follows subparagraph (I).

1 (b) DATA COLLECTION AND REPORTING.—Section
2 469 (42 U.S.C. 669) is amended—

3 (1) by striking subsections (a) and (b) and in-
4 serting the following:

5 “(a) The Secretary shall collect and maintain, on a
6 fiscal year basis, up-to-date statistics, by State, with re-
7 spect to services to establish paternity and services to es-
8 tablish child support obligations, the data specified in sub-
9 section (b), separately stated, in the case of each such
10 service, with respect to—

11 “(1) families (or dependent children) receiving
12 aid under plans approved under part A (or E); and

13 “(2) families not receiving such aid.

14 “(b) The data referred to in subsection (a) are—

15 “(1) the number of cases in the caseload of the
16 State agency administering the plan under this part
17 in which such service is needed; and

18 “(2) the number of such cases in which the
19 service has been provided.”; and

20 (2) in subsection (c), by striking “(a)(2)” and
21 inserting “(b)(2)”.

22 (c) EFFECTIVE DATE.—The amendments made by
23 this section shall be effective with respect to fiscal year
24 1996 and succeeding fiscal years.

1 **Subtitle C—Locate and Case**
2 **Tracking**

3 **SEC. 321. CENTRAL STATE AND CASE REGISTRY.**

4 Section 454A, as added by section 315(a)(2) of this
5 Act, is amended by adding at the end the following:

6 “(e) CENTRAL CASE REGISTRY.—

7 “(1) IN GENERAL.—The automated system re-
8 quired under this section shall perform the func-
9 tions, in accordance with the provisions of this sub-
10 section, of a single central registry containing
11 records with respect to each case in which services
12 are being provided by the State agency (including,
13 on and after October 1, 1998, each order specified
14 in section 466(a)(12)), using such standardized data
15 elements (such as names, social security numbers or
16 other uniform identification numbers, dates of birth,
17 and case identification numbers), and containing
18 such other information (such as information on case
19 status) as the Secretary may require.

20 “(2) PAYMENT RECORDS.—Each case record in
21 the central registry shall include a record of—

22 “(A) the amount of monthly (or other peri-
23 odic) support owed under the support order,
24 and other amounts due or overdue (including

1 arrears, interest or late payment penalties, and
2 fees);

3 “(B) the date on which or circumstances
4 under which the support obligation will termi-
5 nate under such order;

6 “(C) all child support and related amounts
7 collected (including such amounts as fees, late
8 payment penalties, and interest on arrearages);

9 “(D) the distribution of such amounts col-
10 lected; and

11 “(E) the birth date of the child for whom
12 the child support order is entered.

13 “(3) UPDATING AND MONITORING.—The State
14 agency shall promptly establish and maintain, and
15 regularly monitor, case records in the registry re-
16 quired by this subsection, on the basis of—

17 “(A) information on administrative actions
18 and administrative and judicial proceedings and
19 orders relating to paternity and support;

20 “(B) information obtained from matches
21 with Federal, State, or local data sources;

22 “(C) information on support collections
23 and distributions; and

24 “(D) any other relevant information.

1 “(f) DATA MATCHES AND OTHER DISCLOSURES OF
2 INFORMATION.—The automated system required under
3 this section shall have the capacity, and be used by the
4 State agency, to extract data at such times, and in such
5 standardized format or formats, as may be required by
6 the Secretary, and to share and match data with, and re-
7 ceive data from, other data bases and data matching serv-
8 ices, in order to obtain (or provide) information necessary
9 to enable the State agency (or Secretary or other State
10 or Federal agencies) to carry out responsibilities under
11 this part. Data matching activities of the State agency
12 shall include at least the following:

13 “(1) DATA BANK OF CHILD SUPPORT OR-
14 DERS.—Furnish to the Data Bank of Child Support
15 Orders established under section 453(h) (and update
16 as necessary, with information including notice of
17 expiration of orders) minimal information (to be
18 specified by the Secretary) on each child support
19 case in the central case registry.

20 “(2) FEDERAL PARENT LOCATOR SERVICE.—
21 Exchange data with the Federal Parent Locator
22 Service for the purposes specified in section 453.

23 “(3) AFDC AND MEDICAID AGENCIES.—Ex-
24 change data with State agencies (of the State and
25 of other States) administering the programs under

1 part A and title XIX, as necessary for the perform-
2 ance of State agency responsibilities under this part
3 and under such programs.

4 “(4) INTRA- AND INTERSTATE DATA
5 MATCHES.—Exchange data with other agencies of
6 the State, agencies of other States, and interstate
7 information networks, as necessary and appropriate
8 to carry out (or assist other States to carry out) the
9 purposes of this part.”.

10 **SEC. 322. CENTRALIZED COLLECTION AND DISBURSEMENT**
11 **OF SUPPORT PAYMENTS.**

12 (a) STATE PLAN REQUIREMENT.—Section 454 (42
13 U.S.C. 654), as amended by sections 304(a) and 314(b)
14 of this Act, is amended—

15 (1) by striking “and” at the end of paragraph
16 (25);

17 (2) by striking the period at the end of para-
18 graph (26) and inserting “; and”; and

19 (3) by adding after paragraph (26) the follow-
20 ing new paragraph:

21 “(27) provide that the State agency, on and
22 after October 1, 1998—

23 “(A) will operate a centralized, automated
24 unit for the collection and disbursement of child

1 support under orders being enforced under this
2 part, in accordance with section 454B; and

3 “(B) will have sufficient State staff (con-
4 sisting of State employees), and (at State op-
5 tion) contractors reporting directly to the State
6 agency to monitor and enforce support collec-
7 tions through such centralized unit, including
8 carrying out the automated data processing re-
9 sponsibilities specified in section 454A(g) and
10 to impose, as appropriate in particular cases,
11 the administrative enforcement remedies speci-
12 fied in section 466(c)(1).”.

13 (b) ESTABLISHMENT OF CENTRALIZED COLLECTION
14 UNIT.—Part D of title IV (42 U.S.C. 651–669) is amend-
15 ed by adding after section 454A the following new section:

16 “CENTRALIZED COLLECTION AND DISBURSEMENT OF
17 SUPPORT PAYMENTS

18 “SEC. 454B. (a) IN GENERAL.—In order to meet the
19 requirement of section 454(27), the State agency must op-
20 erate a single centralized, automated unit for the collection
21 and disbursement of support payments, coordinated with
22 the automated data system required under section 454A,
23 in accordance with the provisions of this section, which
24 shall be—

25 “(1) operated directly by the State agency (or
26 by two or more State agencies under a regional co-

1 operative agreement), or by a single contractor re-
2 sponsible directly to the State agency; and

3 “(2) used for the collection and disbursement
4 (including interstate collection and disbursement) of
5 payments under support orders in all cases being en-
6 forced by the State pursuant to section 454(4).

7 “(b) REQUIRED PROCEDURES.—The centralized col-
8 lections unit shall use automated procedures, electronic
9 processes, and computer-driven technology to the maxi-
10 mum extent feasible, efficient, and economical, for the col-
11 lection and disbursement of support payments, including
12 procedures—

13 “(1) for receipt of payments from parents, em-
14 ployers, and other States, and for disbursements to
15 custodial parents and other obligees, the State agen-
16 cy, and the State agencies of other States;

17 “(2) for accurate identification of payments;

18 “(3) to ensure prompt disbursement of the cus-
19 todial parent’s share of any payment; and

20 “(4) to furnish to either parent, upon request,
21 timely information on the current status of support
22 payments.”.

23 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
24 added by section 315(a)(2) of this Act and as amended

1 by section 321 of this Act, is amended by adding at the
2 end the following new subsection:

3 “(g) CENTRALIZED COLLECTION AND DISTRIBUTION
4 OF SUPPORT PAYMENTS.—The automated system re-
5 quired under this section shall be used, to the maximum
6 extent feasible, to assist and facilitate collections and dis-
7 bursement of support payments through the centralized
8 collections unit operated pursuant to section 454B,
9 through the performance of functions including at a mini-
10 mum—

11 “(1) generation of orders and notices to em-
12 ployers (and other debtors) for the withholding of
13 wages (and other income)—

14 “(A) within two working days after receipt
15 (from the directory of New Hires established
16 under section 453(i) or any other source) of no-
17 tice of and the income source subject to such
18 withholding; and

19 “(B) using uniform formats directed by
20 the Secretary;

21 “(2) ongoing monitoring to promptly identify
22 failures to make timely payment; and

23 “(3) automatic use of enforcement mechanisms
24 (including mechanisms authorized pursuant to sec-
25 tion 466(c)) where payments are not timely made.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall become effective on October 1, 1998.

3 **SEC. 323. AMENDMENTS CONCERNING INCOME WITHHOLD-**
4 **ING.**

5 (a) MANDATORY INCOME WITHHOLDING.—(1) Sec-
6 tion 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read
7 as follows:

8 “(1) INCOME WITHHOLDING.—

9 (A) UNDER ORDERS ENFORCED UNDER
10 THE STATE PLAN.—Procedures described in
11 subsection (b) for the withholding from income
12 of amounts payable as support in cases subject
13 to enforcement under the State plan.

14 “(B) UNDER CERTAIN ORDERS PREDATING
15 CHANGE IN REQUIREMENT.—Procedures under
16 which all child support orders issued (or modi-
17 fied) before October 1, 1996, and which are not
18 otherwise subject to withholding under sub-
19 section (b), shall become subject to withholding
20 from wages as provided in subsection (b) if ar-
21 rearages occur, without the need for a judicial
22 or administrative hearing.”.

23 (2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is re-
24 pealed.

25 (3) Section 466(b) (42 U.S.C. 666(b)) is amended—

1 (A) in the matter preceding paragraph (1), by
2 striking “subsection (a)(1)” and inserting “sub-
3 section (a)(1)(A)”;

4 (B) in paragraph (5), by striking all that fol-
5 lows “administered by” and inserting “the State
6 through the centralized collections unit established
7 pursuant to section 454B, in accordance with the re-
8 quirements of such section 454B.”;

9 (C) in paragraph (6)(A)(i)—

10 (i) in inserting “, in accordance with time-
11 tables established by the Secretary,” after
12 “must be required”; and

13 (ii) by striking “to the appropriate agency”
14 and all that follows and inserting “to the State
15 centralized collections unit within 5 working
16 days after the date such amount would (but for
17 this subsection) have been paid or credited to
18 the employee, for distribution in accordance
19 with this part.”;

20 (D) in paragraph (6)(A)(ii), by inserting “be in
21 a standard format prescribed by the Secretary, and”
22 after “shall”; and

23 (E) in paragraph (6)(D)—

24 (i) by striking “employer who discharges”
25 and inserting “employer who—(A) discharges”;

1 (ii) by relocating subparagraph (A), as des-
2 ignated, as an indented subparagraph after and
3 below the introductory matter;

4 (iii) by striking the period at the end; and

5 (iv) by adding after and below subpara-
6 graph (A) the following new subparagraph:

7 “(B) fails to withhold support from wages,
8 or to pay such amounts to the State centralized
9 collections unit in accordance with this sub-
10 section.”.

11 (b) CONFORMING AMENDMENT.—Section 466(c) (42
12 U.S.C. 666(c)) is repealed.

13 (c) DEFINITION OF TERMS.—The Secretary shall
14 promulgate regulations providing definitions, for purposes
15 of part D of title IV of the Social Security Act, for the
16 term “income” and for such other terms relating to in-
17 come withholding under section 466(b) of such Act as the
18 Secretary may find it necessary or advisable to define.

19 **SEC. 324. LOCATOR INFORMATION FROM INTERSTATE**
20 **NETWORKS.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 section 323(a)(2) of this Act, is amended by inserting
23 after paragraph (7) the following new paragraph:

24 “(8) LOCATOR INFORMATION FROM INTER-
25 STATE NETWORKS.—Procedures ensuring that the

1 State will neither provide funding for, nor use for
2 any purpose (including any purpose unrelated to the
3 purposes of this part), any automated interstate net-
4 work or system used to locate individuals—

5 “(A) for purposes relating to the use of
6 motor vehicles; or

7 “(B) providing information for law en-
8 forcement purposes (where child support en-
9 forcement agencies are otherwise allowed access
10 by State and Federal law),

11 unless all Federal and State agencies administering
12 programs under this part (including the entities es-
13 tablished under section 453) have access to informa-
14 tion in such system or network to the same extent
15 as any other user of such system or network.”.

16 **SEC. 325. EXPANDED FEDERAL PARENT LOCATOR SERVICE.**

17 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
18 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
19 amended—

20 (1) in subsection (a), by striking all that follows

21 “subsection (c))” and inserting the following:

22 “, for the purpose of establishing parentage, establishing,
23 setting the amount of, modifying, or enforcing child sup-
24 port obligations—

1 “(1) information on, or facilitating the discov-
2 ery of, the location of any individual—

3 “(A) who is under an obligation to pay
4 child support;

5 “(B) against whom such an obligation is
6 sought; or

7 “(C) to whom such an obligation is owed,
8 including such individual’s social security num-
9 ber (or numbers), most recent residential ad-
10 dress, and the name, address, and employer
11 identification number of such individual’s em-
12 ployer; and

13 “(2) information on the individual’s wages (or
14 other income) from, and benefits of, employment (in-
15 cluding rights to or enrollment in group health care
16 coverage); and

17 “(3) information on the type, status, location,
18 and amount of any assets of, or debts owed by or
19 to, any such individual.”; and

20 (2) in subsection (b)—

21 (A) in the matter preceding paragraph (1),
22 by striking “social security” and all that follows
23 through “absent parent” and inserting “infor-
24 mation specified in subsection (a)”;

1 (B) in paragraph (2), by inserting before
2 the period “, or from any consumer reporting
3 agency (as defined in section 603(f) of the Fair
4 Credit Reporting Act (15 U.S.C. 1681a(f))”;

5 (3) in subsection (e)(1), by inserting before the
6 period “, or by consumer reporting agencies”.

7 (b) REIMBURSEMENT FOR DATA FROM FEDERAL
8 AGENCIES.—Section 453(e)(2) (42 U.S.C. 653(e)(2)) is
9 amended in the fourth sentence by inserting before the
10 period “in an amount which the Secretary determines to
11 be reasonable payment for the data exchange (which
12 amount shall not include payment for the costs of obtain-
13 ing, compiling, or maintaining the data)”.

14 (c) ACCESS TO CONSUMER REPORTS UNDER FAIR
15 CREDIT REPORTING ACT.—

16 (1) Section 608 of the Fair Credit Reporting
17 Act (15 U.S.C. 1681f) is amended—

18 (A) by striking “, limited to” and inserting
19 “to a governmental agency (including the entire
20 consumer report, in the case of a Federal,
21 State, or local agency administering a program
22 under part D of title IV of the Social Security
23 Act, and limited to”;

1 (B) by striking “employment, to a govern-
2 mental agency” and inserting “employment, in
3 the case of any other governmental agency”.

4 (2) REIMBURSEMENT FOR REPORTS BY STATE
5 AGENCIES AND CREDIT BUREAUS.—Section 453 (42
6 U.S.C. 653) is amended by adding at the end the
7 following new subsection:

8 “(g) The Secretary is authorized to reimburse costs
9 to State agencies and consumer credit reporting agencies
10 the costs incurred by such entities in furnishing informa-
11 tion requested by the Secretary pursuant to this section
12 in an amount which the Secretary determines to be rea-
13 sonable payment for the data exchange (which amount
14 shall not include payment for the costs of obtaining, com-
15 piling, or maintaining the data).”.

16 (d) DISCLOSURE OF TAX RETURN INFORMATION.—
17 (1) Section 6103(1)(6)(A)(ii) of the Internal Revenue
18 Code of 1986 is amended by striking “, but only if” and
19 all that follows and inserting a period.

20 (2) Section 6103(1)(8)(A) of the Internal Revenue
21 Code of 1986 is amended by inserting “Federal,” before
22 “State or local”.

23 (e) TECHNICAL AMENDMENTS.—

24 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
25 and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b),

1 663(a), and 663(e)) are each amended by inserting
2 “Federal” before “Parent” each place it appears.

3 (2) Section 453 (42 U.S.C. 653) is amended in
4 the heading by adding “FEDERAL” before “PAR-
5 ENT”.

6 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
7 653), as amended by subsection (c)(2) of this section, is
8 amended by adding at the end the following:

9 “(h) DATA BANK OF CHILD SUPPORT ORDERS.—

10 “(1) IN GENERAL.—Not later than October 1,
11 1998, In order to assist States in administering
12 their State plans under this part and parts A, F,
13 and G, and for the other purposes specified in this
14 section, the Secretary shall establish and maintain in
15 the Federal Parent Locator Service an automated
16 registry to be known as the Data Bank of Child
17 Support Orders, which shall contain abstracts of
18 child support orders and other information described
19 in paragraph (2) on each case in each State central
20 case registry maintained pursuant to section
21 454A(e), as furnished (and regularly updated), pur-
22 suant to section 454A(f), by State agencies admin-
23 istering programs under this part.

24 “(2) CASE INFORMATION.—The information re-
25 ferred to in paragraph (1), as specified by the Sec-

1 retary, shall include sufficient information (including
2 names, social security numbers or other uniform
3 identification numbers, and State case identification
4 numbers) to identify the individuals who owe or are
5 owed support (or with respect to or on behalf of
6 whom support obligations are sought to be estab-
7 lished), and the State or States which have estab-
8 lished or modified, or are enforcing or seeking to es-
9 tablish, such an order.

10 “(i) DIRECTORY OF NEW HIRES.—

11 “(1) IN GENERAL.—Not later than October 1,
12 1998, In order to assist States in administering
13 their State plans under this part and parts A, F,
14 and G, and for the other purposes specified in this
15 section, the Secretary shall establish and maintain in
16 the Federal Parent Locator Service an automated
17 directory to be known as the directory of New Hires,
18 containing—

19 “(A) information supplied by employers on
20 each newly hired individual, in accordance with
21 paragraph (2); and

22 “(B) information supplied by State agen-
23 cies administering State unemployment com-
24 pensation laws, in accordance with paragraph
25 (3).

1 “(2) EMPLOYER INFORMATION.—

2 “(A) INFORMATION REQUIRED.—Subject
3 to subparagraph (D), each employer shall fur-
4 nish to the Secretary, for inclusion in the direc-
5 tory established under this subsection, not later
6 than 10 days after the date (on or after Octo-
7 ber 1, 1998) on which the employer hires a new
8 employee (as defined in subparagraph (C)), a
9 report containing the name, date of birth, and
10 social security number of such employee, and
11 the employer identification number of the em-
12 ployer.

13 “(B) REPORTING METHOD AND FOR-
14 MAT.—The Secretary shall provide for trans-
15 mission of the reports required under subpara-
16 graph (A) using formats and methods which
17 minimize the burden on employers, which shall
18 include—

19 “(i) automated or electronic trans-
20 mission of such reports;

21 “(ii) transmission by regular mail;
22 and

23 “(iii) transmission of a copy of the
24 form required for purposes of compliance

1 with section 3402 of the Internal Revenue
2 Code of 1986.

3 “(C) EMPLOYEE DEFINED.—For purposes
4 of this paragraph, the term ‘employee’ means
5 any individual subject to the requirement of
6 section 3402(f)(2) of the Internal Revenue Code
7 of 1986.

8 “(D) PAPERWORK REDUCTION REQUIRE-
9 MENT.—As required by the information re-
10 sources management policies published by the
11 Director of the Office of Management and
12 Budget pursuant to section 3504(b)(1) of title
13 44, United States Code, the Secretary, in order
14 to minimize the cost and reporting burden on
15 employers, shall not require reporting pursuant
16 to this paragraph if an alternative reporting
17 mechanism can be developed that either relies
18 on existing Federal or State reporting or en-
19 ables the Secretary to collect the needed infor-
20 mation in a more cost-effective and equally ex-
21 peditious manner, taking into account the re-
22 porting costs on employers.

23 “(E) CIVIL MONEY PENALTY ON NON-COM-
24 PLYING EMPLOYERS.—(i) Any employer that
25 fails to make a timely report in accordance with

1 this paragraph with respect to an individual
2 shall be subject to a civil money penalty, for
3 each calendar year in which the failure occurs,
4 of the lesser of \$500 or 1 percent of the wages
5 or other compensation paid by such employer to
6 such individual during such calendar year.

7 “(ii) Subject to clause (iii), the provisions
8 of section 1128A (other than subsections (a)
9 and (b) thereof) shall apply to a civil money
10 penalty under clause (i) in the same manner as
11 they apply to a civil money penalty or proceed-
12 ing under section 1128A(a).

13 “(iii) Any employer with respect to whom
14 a penalty under this subparagraph is upheld
15 after an administrative hearing shall be liable to
16 pay all costs of the Secretary with respect to
17 such hearing.

18 “(3) EMPLOYMENT SECURITY INFORMATION.—

19 “(A) REPORTING REQUIREMENT.—Each
20 State agency administering a State unemploy-
21 ment compensation law approved by the Sec-
22 retary of Labor under the Federal Unemploy-
23 ment Tax Act shall furnish to the Secretary of
24 Health and Human Services extracts of the re-
25 ports to the Secretary of Labor concerning the

1 wages and unemployment compensation paid to
2 individuals required under section 303(a)(6), in
3 accordance with subparagraph (B).

4 “(B) MANNER OF COMPLIANCE.—The ex-
5 tracts required under subparagraph (A) shall be
6 furnished to the Secretary of Health and
7 Human Services on a quarterly basis, with re-
8 spect to calendar quarters beginning on and
9 after October 1, 1996, by such dates, in such
10 format, and containing such information as re-
11 quired by that Secretary in regulations.

12 “(j) DATA MATCHES AND OTHER DISCLOSURES.—

13 “(1) VERIFICATION BY SOCIAL SECURITY AD-
14 MINISTRATION.—(A) The Secretary shall transmit
15 data on individuals and employers maintained under
16 this section to the Social Security Administration to
17 the extent necessary for verification in accordance
18 with subparagraph (B).

19 “(B) The Social Security Administration shall
20 verify the accuracy of, correct or supply to the ex-
21 tent necessary and feasible, and report to the Sec-
22 retary, the following information in data supplied by
23 the Secretary pursuant to subparagraph (A):

24 “(i) the name, social security number, and
25 birth date of each individual; and

1 “(ii) the employer identification number of
2 each employer.

3 “(2) CHILD SUPPORT LOCATOR MATCHES.—For
4 the purpose of locating individuals for purposes of
5 paternity establishment and establishment and en-
6 forcement of child support, the Secretary shall—

7 “(A) match data in the directory of New
8 Hires against the child support order abstracts
9 in the Data Bank of Child Support Orders not
10 less often than every 2 working days; and

11 “(B) report information obtained from
12 such a match to concerned State agencies oper-
13 ating programs under this part not later than
14 2 working days after such match.

15 “(3) DATA MATCHES AND DISCLOSURES OF
16 DATA IN ALL REGISTRIES FOR TITLE IV PROGRAM
17 PURPOSES.—The Secretary shall—

18 “(A) perform matches of data in each com-
19 ponent of the Federal Parent Locator Service
20 maintained under this section against data in
21 each other such component (other than the
22 matches required pursuant to paragraph (1)),
23 and report information resulting from such
24 matches to State agencies operating programs
25 under this part and parts A, F, and G; and

1 “(B) disclose data in such registries to
2 such State agencies,
3 to the extent, and with the frequency, that the Sec-
4 retary determines to be effective in assisting such
5 States to carry out their responsibilities under such
6 programs.

7 “(k) FEES.—

8 “(1) FOR SSA VERIFICATION.—The Secretary
9 shall reimburse the Commissioner of Social Security,
10 at a rate negotiated between the Secretary and the
11 Commissioner, the costs incurred by the Commis-
12 sioner in performing the verification services speci-
13 fied in subsection (j).

14 “(2) FOR INFORMATION FROM SESAS.—The
15 Secretary shall reimburse costs incurred by State
16 employment security agencies in furnishing data as
17 required by subsection (j)(3), at rates which the Sec-
18 retary determines to be reasonable (which rates shall
19 not include payment for the costs of obtaining, com-
20 piling, or maintaining such data).

21 “(3) FOR INFORMATION FURNISHED TO STATE
22 AND FEDERAL AGENCIES.—State and Federal agen-
23 cies receiving data or information from the Secretary
24 pursuant to this section shall reimburse the costs in-
25 curred by the Secretary in furnishing such data or

1 information, at rates which the Secretary determines
2 to be reasonable (which rates shall include payment
3 for the costs of obtaining, verifying, maintaining,
4 and matching such data or information).

5 “(l) RESTRICTION ON DISCLOSURE AND USE.—Data
6 in the Federal Parent Locator Service, and information
7 resulting from matches using such data, shall not be used
8 or disclosed except as specifically provided in this section.

9 “(m) RETENTION OF DATA.—Data in the Federal
10 Parent Locator Service, and data resulting from matches
11 performed pursuant to this section, shall be retained for
12 such period (determined by the Secretary) as appropriate
13 for the data uses specified in this section.

14 “(n) INFORMATION INTEGRITY AND SECURITY.—The
15 Secretary shall establish and implement safeguards with
16 respect to the entities established under this section de-
17 signed to—

18 “(1) ensure the accuracy and completeness of
19 information in the Federal Parent Locator Service;
20 and

21 “(2) restrict access to confidential information
22 in the Federal Parent Locator Service to authorized
23 persons, and restrict use of such information to au-
24 thorized purposes.

1 “(o) LIMIT ON LIABILITY.—The Secretary shall not
2 be liable to either a State or an individual for inaccurate
3 information provided to a component of the Federal Par-
4 ent Locator Service section and disclosed by the Secretary
5 in accordance with this section.”.

6 (g) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
8 CURITY ACT.—Section 454(8)(B) (42 U.S.C.
9 654(8)(B)) is amended to read as follows:

10 “(B) the Federal Parent Locator Service
11 established under section 453;”.

12 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
13 Section 3304(16) of the Internal Revenue Code of
14 1986 is amended—

15 (A) by striking “Secretary of Health, Edu-
16 cation, and Welfare” each place such term ap-
17 pears and inserting “Secretary of Health and
18 Human Services”;

19 (B) in subparagraph (B), by striking
20 “such information” and all that follows and in-
21 serting “information furnished under subpara-
22 graph (A) or (B) is used only for the purposes
23 authorized under such subparagraph;”;

24 (C) by striking “and” at the end of sub-
25 paragraph (A);

1 (D) by redesignating subparagraph (B) as
2 subparagraph (C); and

3 (E) by inserting after subparagraph (A)
4 the following new subparagraph:

5 “(B) wage and unemployment compensa-
6 tion information contained in the records of
7 such agency shall be furnished to the Secretary
8 of Health and Human Services (in accordance
9 with regulations promulgated by such Sec-
10 retary) as necessary for the purposes of the di-
11 rectory of New Hires established under section
12 453(i) of the Social Security Act, and”.

13 (3) TO STATE GRANT PROGRAM UNDER TITLE
14 III OF THE SOCIAL SECURITY ACT.—Section 303(a)
15 (42 U.S.C. 503(a)) is amended—

16 (A) by striking “and” at the end of para-
17 graph (8);

18 (B) by striking the period at the end of
19 paragraph (9) and inserting “; and”; and

20 (C) by adding after paragraph (9) the fol-
21 lowing new paragraph:

22 “(10) The making of quarterly electronic re-
23 ports, at such dates, in such format, and containing
24 such information, as required by the Secretary of
25 Health and Human Services under section 453(i)(3),

1 and compliance with such provisions as such Sec-
2 retary may find necessary to ensure the correctness
3 and verification of such reports.”.

4 **SEC. 326. USE OF SOCIAL SECURITY NUMBERS.**

5 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
6 U.S.C. 666(a)), as amended by section 301(a) of this Act,
7 is amended by adding at the end the following new para-
8 graph:

9 “(13) SOCIAL SECURITY NUMBERS RE-
10 QUIRED.—Procedures requiring the recording of so-
11 cial security numbers—

12 “(A) of both parties on marriage licenses
13 and divorce decrees; and

14 “(B) of both parents, on birth records and
15 child support and paternity orders.”.

16 (b) CLARIFICATION OF FEDERAL POLICY.—Section
17 205(c)(2)(C)(ii) (42 U.S.C. 405(c)(2)(C)(ii)) is amended
18 by striking the third sentence and inserting “This clause
19 shall not be considered to authorize disclosure of such
20 numbers except as provided in the preceding sentence.”.

1 **Subtitle D—Streamlining and**
2 **Uniformity of Procedures**

3 **SEC. 331. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466(a) (42 U.S.C. 666(a)), as amended by
5 sections 301(a) and 328(a) of this Act, is amended by add-
6 ing at the end the following new paragraph:

7 “(14) INTERSTATE ENFORCEMENT.—

8 “(A) ADOPTION OF UIFSA.—Procedures
9 under which the State adopts in its entirety
10 (with the modifications and additions specified
11 in this paragraph) not later than January 1,
12 1997, and uses on and after such date, the Uni-
13 form Interstate Family Support Act, as ap-
14 proved by the National Conference of Commis-
15 sioners on Uniform State Laws in August,
16 1992.

17 “(B) EXPANDED APPLICATION OF
18 UIFSA.—The State law adopted pursuant to
19 subparagraph (A) shall be applied to any
20 case—

21 “(i) involving an order established or
22 modified in one State and for which a sub-
23 sequent modification is sought in another
24 State; or

1 “(ii) in which interstate activity is re-
2 quired to enforce an order.

3 “(C) JURISDICTION TO MODIFY ORDERS.—

4 The State law adopted pursuant to subpara-
5 graph (A) of this paragraph shall contain the
6 following provision in lieu of section 611(a)(1)
7 of the Uniform Interstate Family Support Act
8 described in such subparagraph (A):

9 “(1) the following requirements are met:

10 “(i) the child, the individual obligee, and
11 the obligor—

12 “(I) do not reside in the issuing
13 State; and

14 “(II) either reside in this State or
15 are subject to the jurisdiction of this State
16 pursuant to section 201; and

17 “(ii) (in any case where another State is
18 exercising or seeks to exercise jurisdiction to
19 modify the order) the conditions of section 204
20 are met to the same extent as required for pro-
21 ceedings to establish orders; or’.

22 “(D) SERVICE OF PROCESS.—The State
23 law adopted pursuant to subparagraph (A) shall
24 recognize as valid, for purposes of any proceed-
25 ing subject to such State law, service of process

1 upon persons in the State (and proof of such
2 service) by any means acceptable in another
3 State which is the initiating or responding
4 State in such proceeding.

5 “(E) COOPERATION BY EMPLOYERS.—The
6 State law adopted pursuant to subparagraph
7 (A) shall provide for the use of procedures (in-
8 cluding sanctions for noncompliance) under
9 which all entities in the State (including for-
10 profit, nonprofit, and governmental employers)
11 are required to provide promptly, in response to
12 a request by the State agency of that or any
13 other State administering a program under this
14 part, information on the employment, com-
15 pensation, and benefits of any individual em-
16 ployed by such entity as an employee or con-
17 tractor.”.

18 **SEC. 332. IMPROVEMENTS TO FULL FAITH AND CREDIT**
19 **FOR CHILD SUPPORT ORDERS.**

20 Section 1738B of title 28, United States Code, is
21 amended—

22 (1) in subsection (a)(2), by striking “subsection
23 (e)” and inserting “subsections (e), (f), and (i)”;

24 (2) in subsection (b), by inserting after the 2nd
25 undesignated paragraph the following:

1 “‘child’s home State’ means the State in which
2 a child lived with a parent or a person acting as par-
3 ent for at least six consecutive months immediately
4 preceding the time of filing of a petition or com-
5 parable pleading for support and, if a child is less
6 than six months old, the State in which the child
7 lived from birth with any of them. A period of tem-
8 porary absence of any of them is counted as part of
9 the six-month period.”;

10 (3) in subsection (c), by inserting “by a court
11 of a State” before “is made”;

12 (4) in subsection (c)(1), by inserting “and sub-
13 sections (e), (f), and (g)” after “located”;

14 (5) in subsection (d)—

15 (A) by inserting “individual” before “con-
16 testant”; and

17 (B) by striking “subsection (e)” and in-
18 serting “subsections (e) and (f)”;

19 (6) in subsection (e), by striking “make a modi-
20 fication of a child support order with respect to a
21 child that is made” and inserting “modify a child
22 support order issued”;

23 (7) in subsection (e)(1), by inserting “pursuant
24 to subsection (i)” before the semicolon;

25 (8) in subsection (e)(2)—

1 (A) by inserting “individual” before “con-
2 testant” each place such term appears; and

3 (B) by striking “to that court’s making the
4 modification and assuming” and inserting “with
5 the State of continuing, exclusive jurisdiction
6 for a court of another State to modify the order
7 and assume”;

8 (9) by redesignating subsections (f) and (g) as
9 subsections (g) and (h), respectively;

10 (10) by inserting after subsection (e) the follow-
11 ing:

12 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—
13 If one or more child support orders have been issued in
14 this or another State with regard to an obligor and a child,
15 a court shall apply the following rules in determining
16 which order to recognize for purposes of continuing, exclu-
17 sive jurisdiction and enforcement:

18 “(1) If only one court has issued a child sup-
19 port order, the order of that court must be recog-
20 nized.

21 “(2) If two or more courts have issued child
22 support orders for the same obligor and child, and
23 only one of the courts would have continuing, exclu-
24 sive jurisdiction under this section, the order of that
25 court must be recognized.

1 “(3) If two or more courts have issued child
2 support orders for the same obligor and child, and
3 only one of the courts would have continuing, exclu-
4 sive jurisdiction under this section, an order issued
5 by a court in the current home State of the child
6 must be recognized, but if an order has not been is-
7 sued in the current home State of the child, the
8 order most recently issued must be recognized.

9 “(4) If two or more courts have issued child
10 support orders for the same obligor and child, and
11 none of the courts would have continuing, exclusive
12 jurisdiction under this section, a court may issue a
13 child support order, which must be recognized.

14 “(5) The court that has issued an order recog-
15 nized under this subsection is the court having con-
16 tinuing, exclusive jurisdiction.”;

17 (11) in subsection (g) (as so redesignated)—

18 (A) by striking “PRIOR” and inserting
19 “MODIFIED”; and

20 (B) by striking “subsection (e)” and in-
21 serting “subsections (e) and (f)”;

22 (12) in subsection (h) (as so redesignated)—

23 (A) in paragraph (2), by inserting “includ-
24 ing the duration of current payments and other
25 obligations of support” before the comma; and

1 (B) in paragraph (3), by inserting “arrears
2 under” after “enforce”; and

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

4 “(i) REGISTRATION FOR MODIFICATION.—If there is
5 no individual contestant or child residing in the issuing
6 State, the party or support enforcement agency seeking
7 to modify, or to modify and enforce, a child support order
8 issued in another State shall register that order in a State
9 with jurisdiction over the nonmovant for the purpose of
10 modification.”.

11 **SEC. 333. STATE LAWS PROVIDING EXPEDITED PROCE-**
12 **DURES.**

13 (a) STATE LAW REQUIREMENTS.—Section 466 (42
14 U.S.C. 666) is amended—

15 (1) in subsection (a)(2), in the first sentence, to
16 read as follows: “Expedited administrative and judi-
17 cial procedures (including the procedures specified in
18 subsection (c)) for establishing paternity and for es-
19 tablishing, modifying, and enforcing support obliga-
20 tions.”; and

21 (2) by adding after subsection (b) the following
22 new subsection:

23 “(c) EXPEDITED PROCEDURES.—The procedures
24 specified in this subsection are the following:

1 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
2 CY.—Procedures which give the State agency the au-
3 thority (and recognize and enforce the authority of
4 State agencies of other States), without the necessity
5 of obtaining an order from any other judicial or ad-
6 ministrative tribunal (but subject to due process
7 safeguards, including (as appropriate) requirements
8 for notice, opportunity to contest the action, and op-
9 portunity for an appeal on the record to an inde-
10 pendent administrative or judicial tribunal), to take
11 the following actions relating to establishment or en-
12 forcement of orders:

13 “(A) GENETIC TESTING.—To order genetic
14 testing for the purpose of paternity establish-
15 ment as provided in section 466(a)(5).

16 “(B) DEFAULT ORDERS.—To enter a de-
17 fault order, upon a showing of service of proc-
18 ess and any additional showing required by
19 State law—

20 “(i) establishing paternity, in the case
21 of any putative father who refuses to sub-
22 mit to genetic testing; and

23 “(ii) establishing or modifying a sup-
24 port obligation, in the case of a parent (or
25 other obligor or obligee) who fails to re-

1 spond to notice to appear at a proceeding
2 for such purpose.

3 “(C) SUBPOENAS.—To subpoena any fi-
4 nancial or other information needed to estab-
5 lish, modify, or enforce an order, and to sanc-
6 tion failure to respond to any such subpoena.

7 “(D) ACCESS TO PERSONAL AND FINAN-
8 CIAL INFORMATION.—To obtain access, subject
9 to safeguards on privacy and information secu-
10 rity, to the following records (including auto-
11 mated access, in the case of records maintained
12 in automated data bases):

13 “(i) records of other State and local
14 government agencies, including—

15 “(I) vital statistics (including
16 records of marriage, birth, and di-
17 vorce);

18 “(II) State and local tax and rev-
19 enue records (including information
20 on residence address, employer, in-
21 come and assets);

22 “(III) records concerning real
23 and titled personal property;

24 “(IV) records of occupational and
25 professional licenses, and records con-

1 cerning the ownership and control of
2 corporations, partnerships, and other
3 business entities;

4 “(V) employment security
5 records;

6 “(VI) records of agencies admin-
7 istering public assistance programs;

8 “(VII) records of the motor vehi-
9 cle department; and

10 “(VIII) corrections records; and

11 “(ii) certain records held by private
12 entities, including—

13 “(I) customer records of public
14 utilities and cable television compa-
15 nies; and

16 “(II) information (including in-
17 formation on assets and liabilities) on
18 individuals who owe or are owed sup-
19 port (or against or with respect to
20 whom a support obligation is sought)
21 held by financial institutions (subject
22 to limitations on liability of such enti-
23 ties arising from affording such ac-
24 cess).

1 “(E) INCOME WITHHOLDING.—To order
2 income withholding in accordance with sub-
3 section (a)(1) and (b) of section 466.

4 “(F) CHANGE IN PAYEE.—(In cases where
5 support is subject to an assignment under sec-
6 tion 402(a)(26), 471(a)(17), or 1912, or to a
7 requirement to pay through the centralized col-
8 lections unit under section 454B) upon provid-
9 ing notice to obligor and obligee, to direct the
10 obligor or other payor to change the payee to
11 the appropriate government entity.

12 “(G) SECURE ASSETS TO SATISFY ARREAR-
13 AGES.—For the purpose of securing overdue
14 support—

15 “(i) to intercept and seize any peri-
16 odic or lump-sum payment to the obligor
17 by or through a State or local government
18 agency, including—

19 “(I) unemployment compensa-
20 tion, workers’ compensation, and
21 other benefits;

22 “(II) judgments and settlements
23 in cases under the jurisdiction of the
24 State or local government; and

25 “(III) lottery winnings;

1 “(ii) to attach and seize assets of the
2 obligor held by financial institutions;

3 “(iii) to attach public and private re-
4 tirement funds in appropriate cases, as de-
5 termined by the Secretary; and

6 “(iv) to impose liens in accordance
7 with paragraph (a)(4) and, in appropriate
8 cases, to force sale of property and dis-
9 tribution of proceeds.

10 “(H) INCREASE MONTHLY PAYMENTS.—
11 For the purpose of securing overdue support, to
12 increase the amount of monthly support pay-
13 ments to include amounts for arrearages (sub-
14 ject to such conditions or restrictions as the
15 State may provide).

16 “(I) SUSPENSION OF DRIVERS’ LI-
17 CENSES.—To suspend drivers’ licenses of indi-
18 viduals owing past-due support, in accordance
19 with subsection (a)(16).

20 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—
21 The expedited procedures required under subsection
22 (a)(2) shall include the following rules and author-
23 ity, applicable with respect to all proceedings to es-
24 tablish paternity or to establish, modify, or enforce
25 support orders:

1 “(A) LOCATOR INFORMATION; PRESUMP-
2 TIONS CONCERNING NOTICE.—Procedures
3 under which—

4 “(i) the parties to any paternity or
5 child support proceedings are required
6 (subject to privacy safeguards) to file with
7 the tribunal before entry of an order, and
8 to update as appropriate, information on
9 location and identity (including Social Se-
10 curity number, residential and mailing ad-
11 dresses, telephone number, driver’s license
12 number, and name, address, and telephone
13 number of employer); and

14 “(ii) in any subsequent child support
15 enforcement action between the same par-
16 ties, the tribunal shall be authorized, upon
17 sufficient showing that diligent effort has
18 been made to ascertain such party’s cur-
19 rent location, to deem due process require-
20 ments for notice and service of process to
21 be met, with respect to such party, by de-
22 livery to the most recent residential or em-
23 ployer address so filed pursuant to clause
24 (i).

1 “(B) STATEWIDE JURISDICTION.—Proce-
2 dures under which—

3 “(i) the State agency and any admin-
4 istrative or judicial tribunal with authority
5 to hear child support and paternity cases
6 exerts statewide jurisdiction over the par-
7 ties, and orders issued in such cases have
8 statewide effect; and

9 “(ii) (in the case of a State in which
10 orders in such cases are issued by local ju-
11 risdictions) a case may be transferred be-
12 tween jurisdictions in the State without
13 need for any additional filing by the peti-
14 tioner, or service of process upon the re-
15 spondent, to retain jurisdiction over the
16 parties.”.

17 (c) EXCEPTIONS FROM STATE LAW REQUIRE-
18 MENTS.—Section 466(d) (42 U.S.C. 666(d)) is
19 amended—

20 (1) by striking “(d) If” and inserting the fol-
21 lowing:

22 “(d) EXEMPTIONS FROM REQUIREMENTS.—

23 “(1) IN GENERAL.—Subject to paragraph (2),
24 if”; and

1 (2) by adding at the end the following new
2 paragraph:

3 “(2) NONEXEMPT REQUIREMENTS.—The Sec-
4 retary shall not grant an exemption from the re-
5 quirements of—

6 “(A) subsection (a)(5) (concerning proce-
7 dures for paternity establishment);

8 “(B) subsection (a)(10) (concerning modi-
9 fication of orders);

10 “(C) subsection (a)(12) (concerning re-
11 cording of orders in the central State case reg-
12 istry);

13 “(D) subsection (a)(13) (concerning re-
14 cording of Social Security numbers);

15 “(E) subsection (a)(14) (concerning inter-
16 state enforcement); or

17 “(F) subsection (c) (concerning expedited
18 procedures), other than paragraph (1)(A) there-
19 of (concerning establishment or modification of
20 support amount).”.

21 (d) AUTOMATION OF STATE AGENCY FUNCTIONS.—
22 Section 454A, as added by section 115(a)(2) of this Act
23 and as amended by sections 121 and 122(c) of this Act,
24 is amended by adding at the end the following new sub-
25 section:

1 “(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
2 The automated system required under this section shall
3 be used, to the maximum extent feasible, to implement any
4 expedited administrative procedures required under sec-
5 tion 466(c).”.

6 **Subtitle E—Paternity** 7 **Establishment**

8 **SEC. 341. STATE LAWS CONCERNING PATERNITY ESTAB-**
9 **LISHMENT.**

10 (a) STATE LAWS REQUIRED.—Section 466(a)(5) (42
11 U.S.C. 666(a)(5)) is amended—

12 (1) by striking “(5)” and inserting the follow-
13 ing:

14 “(5) PROCEDURES CONCERNING PATERNITY ES-
15 TABLISHMENT.—”;

16 (2) in subparagraph (A)—

17 (A) by striking “(A)(i)” and inserting the
18 following:

19 “(A) ESTABLISHMENT PROCESS AVAIL-
20 ABLE FROM BIRTH UNTIL AGE EIGHTEEN.—
21 (i)”;

22 (B) by indenting clauses (i) and (ii) so
23 that the left margin of such clauses is 2 ems to
24 the right of the left margin of paragraph (4);

25 (3) in subparagraph (B)—

1 (A) by striking “(B)” and inserting the
2 following:

3 “(B) PROCEDURES CONCERNING GENETIC
4 TESTING.—(i)”;

5 (B) in clause (i), as redesignated, by in-
6 serting before the period “, where such request
7 is supported by a sworn statement (I) by such
8 party alleging paternity setting forth facts es-
9 tablishing a reasonable possibility of the req-
10 uisite sexual contact of the parties, or (II) by
11 such party denying paternity setting forth facts
12 establishing a reasonable possibility of the
13 nonexistence of sexual contact of the parties;”;

14 (C) by inserting after and below clause (i)
15 (as redesignated) the following new clause:

16 “(ii) Procedures which require the State
17 agency, in any case in which such agency orders
18 genetic testing—

19 “(I) to pay costs of such tests, subject
20 to recoupment (where the State so elects)
21 from the punitive father if paternity is es-
22 tablished; and

23 “(II) to obtain additional testing in
24 any case where an original test result is

1 disputed, upon request and advance pay-
2 ment by the disputing party.”;

3 (4) by striking subparagraphs (C) and (D) and
4 inserting the following:

5 “(C) PATERNITY ACKNOWLEDGMENT.—(i)
6 Procedures for a simple civil process for volun-
7 tarily acknowledging paternity under which the
8 State must provide that, before a mother and a
9 putative father can sign an acknowledgment of
10 paternity, the putative father and the mother
11 must be given notice, orally, in writing, and in
12 a language that each can understand, of the al-
13 ternatives to, the legal consequences of, and the
14 rights (including, if 1 parent is a minor, any
15 rights afforded due to minority status) and re-
16 sponsibilities that arise from, signing the ac-
17 knowledgment.

18 “(ii) Such procedures must include a hos-
19 pital-based program for the voluntary acknowl-
20 edgment of paternity focusing on the period im-
21 mediately before or after the birth of a child.

22 “(iii) Such procedures must require the
23 State agency responsible for maintaining birth
24 records to offer voluntary paternity establish-
25 ment services.

1 “(iv) The Secretary shall prescribe regula-
2 tions governing voluntary paternity establish-
3 ment services offered by hospitals and birth
4 record agencies. The Secretary shall prescribe
5 regulations specifying the types of other entities
6 that may offer voluntary paternity establish-
7 ment services, and governing the provision of
8 such services, which shall include a requirement
9 that such an entity must use the same notice
10 provisions used by, the same materials used by,
11 provide the personnel providing such services
12 with the same training provided by, and evalu-
13 ate the provision of such services in the same
14 manner as, voluntary paternity establishment
15 programs of hospitals and birth record agen-
16 cies.

17 “(v) Such procedures must require the
18 State and those required to establish paternity
19 to use only the affidavit developed under section
20 452(a)(7) for the voluntary acknowledgment of
21 paternity, and to give full faith and credit to
22 such an affidavit signed in any other State.

23 “(D) STATUS OF SIGNED PATERNITY
24 KNOWLEDGMENT.—(i) Procedures under which
25 a signed acknowledgment of paternity is consid-

1 ered a legal finding of paternity, subject to the
2 right of any signatory to rescind the acknowl-
3 edgment within 60 days.

4 “(ii)(I) Procedures under which, after the
5 60-day period referred to in clause (i), a signed
6 acknowledgment of paternity may be challenged
7 in court only on the basis of fraud, duress, or
8 material mistake of fact, with the burden of
9 proof upon the challenger, and under which the
10 legal responsibilities (including child support
11 obligations) of any signatory arising from the
12 acknowledgment may not be suspended during
13 the challenge, except for good cause shown.

14 “(II) Procedures under which, after the
15 60-day period referred to in clause (i), a minor
16 who signs an acknowledgment of paternity
17 other than in the presence of a parent or court-
18 appointed guardian ad litem may rescind the
19 acknowledgment in a judicial or administrative
20 proceeding, until the earlier of—

21 “(aa) attaining the age of majority; or

22 “(bb) the date of the first judicial or
23 administrative proceeding brought (after
24 the signing) to establish a child support
25 obligation, visitation rights, or custody

1 rights with respect to the child whose pa-
2 ternity is the subject of the acknowledg-
3 ment, and at which the minor is rep-
4 resented by a parent, guardian ad litem, or
5 attorney.”;

6 (5) by striking subparagraph (E) and inserting
7 the following:

8 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
9 CATION PROCEEDINGS.—Procedures under
10 which no judicial or administrative proceedings
11 are required or permitted to ratify an unchal-
12 lenged acknowledgment of paternity.”;

13 (6) by striking subparagraph (F) and inserting
14 the following:

15 “(F) ADMISSIBILITY OF GENETIC TESTING
16 RESULTS.—Procedures—

17 “(i) requiring that the State admit
18 into evidence, for purposes of establishing
19 paternity, results of any genetic test that
20 is—

21 “(I) of a type generally acknowl-
22 edged, by accreditation bodies des-
23 ignated by the Secretary, as reliable
24 evidence of paternity; and

1 “(II) performed by a laboratory
2 approved by such an accreditation
3 body;

4 “(ii) that any objection to genetic
5 testing results must be made in writing not
6 later than a specified number of days be-
7 fore any hearing at which such results may
8 be introduced into evidence (or, at State
9 option, not later than a specified number
10 of days after receipt of such results); and

11 “(iii) that, if no objection is made, the
12 test results are admissible as evidence of
13 paternity without the need for foundation
14 testimony or other proof of authenticity or
15 accuracy.”; and

16 (7) by adding after subparagraph (H) the fol-
17 lowing new subparagraphs:

18 “(I) NO RIGHT TO JURY TRIAL.—Proce-
19 dures providing that the parties to an action to
20 establish paternity are not entitled to jury trial.

21 “(J) TEMPORARY SUPPORT ORDER BASED
22 ON PROBABLE PATERNITY IN CONTESTED
23 CASES.—Procedures which require that a tem-
24 porary order be issued, upon motion by a party,
25 requiring the provision of child support pending

1 an administrative or judicial determination of
2 parentage, where there is clear and convincing
3 evidence of paternity (on the basis of genetic
4 tests or other evidence).

5 “(K) PROOF OF CERTAIN SUPPORT AND
6 PATERNITY ESTABLISHMENT COSTS.—Proce-
7 dures under which bills for pregnancy, child-
8 birth, and genetic testing are admissible as evi-
9 dence without requiring third-party foundation
10 testimony, and shall constitute prima facie evi-
11 dence of amounts incurred for such services and
12 testing on behalf of the child.

13 “(L) WAIVER OF STATE DEBTS FOR CO-
14 OPERATION.—At the option of the State, proce-
15 dures under which the tribunal establishing pa-
16 ternity and support has discretion to waive
17 rights to all or part of amounts owed to the
18 State (but not to the mother) for costs related
19 to pregnancy, childbirth, and genetic testing
20 and for public assistance paid to the family
21 where the father cooperates or acknowledges
22 paternity before or after genetic testing.

23 “(M) STANDING OF PUTATIVE FATHERS.—
24 Procedures ensuring that the putative father

1 has a reasonable opportunity to initiate a pater-
2 nity action.”.

3 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
4 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
5 amended by inserting “, and develop an affidavit to be
6 used for the voluntary acknowledgment of paternity which
7 shall include the social security account number of each
8 parent” before the semicolon.

9 (c) TECHNICAL AMENDMENT.—Section 468 (42
10 U.S.C. 668) is amended by striking “a simple civil process
11 for voluntarily acknowledging paternity and”.

12 **SEC. 342. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
13 **LISHMENT.**

14 (a) STATE PLAN REQUIREMENT.—Section 454(23)
15 (42 U.S.C. 654(23)) is amended by adding at the end the
16 following new subparagraph:

17 “(C) publicize the availability and encour-
18 age the use of procedures for voluntary estab-
19 lishment of paternity and child support through
20 a variety of means, which—

21 “(i) include distribution of written
22 materials as health care facilities (includ-
23 ing hospitals and clinics), and other loca-
24 tions such as schools;

1 “(ii) may include pre-natal programs
2 to educate expectant couples on individual
3 and joint rights and responsibilities with
4 respect to paternity (and may require all
5 expectant recipients of assistance under
6 part A to participate in such pre-natal pro-
7 grams, as an element of cooperation with
8 efforts to establish paternity and child sup-
9 port);

10 “(iii) include, with respect to each
11 child discharged from a hospital after birth
12 for whom paternity or child support has
13 not been established, reasonable follow-up
14 efforts (including at least one contact of
15 each parent whose whereabouts are known,
16 except where there is reason to believe
17 such follow-up efforts would put mother or
18 child at risk), providing—

19 “(I) in the case of a child for
20 whom paternity has not been estab-
21 lished, information on the benefits of
22 and procedures for establishing pater-
23 nity; and

24 “(II) in the case of a child for
25 whom paternity has been established

1 but child support has not been estab-
2 lished, information on the benefits of
3 and procedures for establishing a
4 child support order, and an applica-
5 tion for child support services;”.

6 (b) ENHANCED FEDERAL MATCHING.—Section
7 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

8 (1) by inserting “(i)” before “laboratory costs”,
9 and

10 (2) by inserting before the semicolon “, and (ii)
11 costs of outreach programs designed to encourage
12 voluntary acknowledgment of paternity”.

13 (c) EFFECTIVE DATES.—(1) The amendments made
14 by subsection (a) shall become effective October 1, 1997.

15 (2) The amendments made by subsection (b) shall be
16 effective with respect to calendar quarters beginning on
17 and after October 1, 1996.

18 **Subtitle F—Establishment and** 19 **Modification of Support Orders**

20 **SEC. 351. NATIONAL CHILD SUPPORT GUIDELINES COMMIS-** 21 **SION.**

22 (a) ESTABLISHMENT.—There is hereby established a
23 commission to be known as the “National Child Support
24 Guidelines Commission” (in this section referred to as the
25 “Commission”).

1 (b) GENERAL DUTIES.—The Commission shall de-
2 velop a national child support guideline for consideration
3 by the Congress that is based on a study of various guide-
4 line models, the benefits and deficiencies of such models,
5 and any needed improvements.

6 (c) MEMBERSHIP.—

7 (1) NUMBER; APPOINTMENT.—

8 (A) IN GENERAL.—The Commission shall
9 be composed of 12 individuals appointed jointly
10 by the Secretary of Health and Human Services
11 and the Congress, not later than January 15,
12 1997, of which—

13 (i) 2 shall be appointed by the Chair-
14 man of the Committee on Finance of the
15 Senate, and 1 shall be appointed by the
16 ranking minority member of the Commit-
17 tee;

18 (ii) 2 shall be appointed by the Chair-
19 man of the Committee on Ways and Means
20 of the House of Representatives, and 1
21 shall be appointed by the ranking minority
22 member of the Committee; and

23 (iii) 6 shall be appointed by the Sec-
24 retary of Health and Human Services.

1 (B) QUALIFICATIONS OF MEMBERS.—
2 Members of the Commission shall have exper-
3 tise and experience in the evaluation and devel-
4 opment of child support guidelines. At least 1
5 member shall represent advocacy groups for
6 custodial parents, at least 1 member shall rep-
7 resent advocacy groups for noncustodial par-
8 ents, and at least 1 member shall be the direc-
9 tor of a State program under part D of title IV
10 of the Social Security Act.

11 (2) TERMS OF OFFICE.—Each member shall be
12 appointed for a term of 2 years. A vacancy in the
13 Commission shall be filled in the manner in which
14 the original appointment was made.

15 (d) COMMISSION POWERS, COMPENSATION, ACCESS
16 TO INFORMATION, AND SUPERVISION.—The first sentence
17 of subparagraph (C), the first and third sentences of sub-
18 paragraph (D), subparagraph (F) (except with respect to
19 the conduct of medical studies), clauses (ii) and (iii) of
20 subparagraph (G), and subparagraph (H) of section
21 1886(e)(6) of the Social Security Act shall apply to the
22 Commission in the same manner in which such provisions
23 apply to the Prospective Payment Assessment Commis-
24 sion.

1 (e) REPORT.—Not later than 2 years after the ap-
2 pointment of members, the Commission shall submit to
3 the President, the Committee on Ways and Means of the
4 House of Representatives, and the Committee on Finance
5 of the Senate, a recommended national child support
6 guideline and a final assessment of issues relating to such
7 a proposed national child support guideline.

8 (f) TERMINATION.—The Commission shall terminate
9 6 months after the submission of the report described in
10 subsection (e).

11 **SEC. 352. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**
12 **MENT OF CHILD SUPPORT ORDERS.**

13 (a) IN GENERAL.—Section 466(a)(10) (42 U.S.C.
14 666(a)(10)) is amended to read as follows:

15 “(10) PROCEDURES FOR MODIFICATION OF
16 SUPPORT ORDERS.—

17 “(A)(i) Procedures under which—

18 “(I) every 3 years, at the request of
19 either parent subject to a child support
20 order, the State shall review and, as appro-
21 priate, adjust the order in accordance with
22 the guidelines established under section
23 467(a) if the amount of the child support
24 award under the order differs from the
25 amount that would be awarded in accord-

1 ance with such guidelines, without a re-
2 quirement for any other change in cir-
3 cumstances; and

4 “(II) upon request at any time of ei-
5 ther parent subject to a child support
6 order, the State shall review and, as appro-
7 priate, adjust the order in accordance with
8 the guidelines established under section
9 467(a) based on a substantial change in
10 the circumstances of either such parent.

11 “(ii) Such procedures shall require both
12 parents subject to a child support order to be
13 notified of their rights and responsibilities pro-
14 vided for under clause (i) at the time the order
15 is issued and in the annual information ex-
16 change form provided under subparagraph (B).

17 “(B) Procedures under which each child
18 support order issued or modified in the State
19 after the effective date of this subparagraph
20 shall require the parents subject to the order to
21 provide each other with a complete statement of
22 their respective financial condition annually on
23 a form which shall be established by the Sec-
24 retary and provided by the State. The Secretary

1 shall establish regulations for the enforcement
2 of such exchange of information.”.

3 **Subtitle G—Enforcement of**
4 **Support Orders**

5 **SEC. 361. FEDERAL INCOME TAX REFUND OFFSET.**

6 (a) CHANGED ORDER OF REFUND DISTRIBUTION
7 UNDER INTERNAL REVENUE CODE.—Section 6402(c) of
8 the Internal Revenue Code of 1986 is amended—

9 (1) by striking “The amount” and inserting

10 “(1) IN GENERAL.—The amount”;

11 (2) by striking “paid to the State. A reduction”
12 and inserting “paid to the State.

13 “(2) PRIORITIES FOR OFFSET.—A reduction”;

14 (3) by striking “has been assigned” and insert-
15 ing “has not been assigned”, and

16 (4) by striking “and shall be applied” and all
17 that follows and inserting “and shall thereafter be
18 applied to satisfy any past-due support that has
19 been so assigned.”.

20 (b) ELIMINATION OF DISPARITIES IN TREATMENT
21 OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—(1)

22 Section 464(a) (42 U.S.C. 664(a)) is amended—

23 (A) by striking “(a)” and inserting “(a) OFF-
24 SET AUTHORIZED.—”;

25 (B) in paragraph (1)—

1 (i) in the first sentence, by striking “which
2 has been assigned to such State pursuant to
3 section 402(a)(26) or section 471(a)(17)”; and

4 (ii) in the second sentence, by striking “in
5 accordance with section 457 (b)(4) or (d)(3)”
6 and inserting “as provided in paragraph (2)”;

7 (C) in paragraph (2), to read as follows:

8 “(2) The State agency shall distribute amounts
9 paid by the Secretary of the Treasury pursuant to
10 paragraph (1)—

11 “(A) in accordance with section 457 (a)(4)
12 or (d)(3), in the case of past-due support as-
13 signed to a State pursuant to section
14 402(a)(26) or section 471(a)(17); and

15 “(B) to or on behalf of the child to whom
16 the support was owed, in the case of past-due
17 support not so assigned.”;

18 (D) in paragraph (3)—

19 (i) by striking “or (2)” each place it ap-
20 pears; and

21 (ii) in subparagraph (B), by striking
22 “under paragraph (2)” and inserting “on ac-
23 count of past-due support described in para-
24 graph (2)(B)”.

1 (2) Section 464(b) (42 U.S.C. 664(b)) is
2 amended—

3 (A) by striking “(b)(1)” and inserting “(b)
4 REGULATIONS.—”; and

5 (B) by striking paragraph (2).

6 (3) Section 464(c) (42 U.S.C. 664(c)) is
7 amended—

8 (A) by striking “(c)(1) Except as provided
9 in paragraph (2), as” and inserting “(c) DEFINI-
10 TION.—As”; and

11 (B) by striking paragraphs (2) and (3).

12 (c) TREATMENT OF LUMP-SUM TAX REFUND
13 UNDER AFDC.—

14 (1) EXEMPTION FROM LUMP-SUM RULE.—Sec-
15 tion 402(a)(17) (42 U.S.C. 602(a)(17)) is amended
16 by adding at the end the following: “but this para-
17 graph shall not apply to income received by a family
18 that is attributable to a child support obligation
19 owed with respect to a member of the family and
20 that is paid to the family from amounts withheld
21 from a Federal income tax refund otherwise payable
22 to the person owing such obligation, to the extent
23 that such income is placed in a qualified asset ac-
24 count (as defined in section 406(j)) the total

1 amounts in which, after such placement, does not
2 exceed \$10,000;”.

3 (2) QUALIFIED ASSET ACCOUNT DEFINED.—
4 Section 406 (42 U.S.C. 606), as amended by section
5 302(g)(2) of this Act, is amended by adding at the
6 end the following:

7 “(j)(1) The term ‘qualified asset account’ means a
8 mechanism approved by the State (such as individual re-
9 tirement accounts, escrow accounts, or savings bonds) that
10 allows savings of a family receiving aid to families with
11 dependent children to be used for qualified distributions.

12 “(2) The term ‘qualified distribution’ means a dis-
13 tribution from a qualified asset account for expenses di-
14 rectly related to 1 or more of the following purposes:

15 “(A) The attendance of a member of the family
16 at any education or training program.

17 “(B) The improvement of the employability (in-
18 cluding self-employment) of a member of the family
19 (such as through the purchase of an automobile).

20 “(C) The purchase of a home for the family.

21 “(D) A change of the family residence.”.

22 (d) EFFECTIVE DATE.—The amendments made by
23 this section shall become effective October 1, 1999.

1 **SEC. 362. INTERNAL REVENUE SERVICE COLLECTION OF**
2 **ARREARS.**

3 (a) AMENDMENT TO INTERNAL REVENUE CODE.—
4 Section 6305(a) of the Internal Revenue Code of 1986 is
5 amended—

6 (1) in paragraph (1), by inserting “except as
7 provided in paragraph (5)” after “collected”;

8 (2) by striking “and” at the end of paragraph
9 (3);

10 (3) by striking the period at the end of para-
11 graph (4) and inserting a comma;

12 (4) by adding after paragraph (4) the following
13 new paragraph:

14 “(5) no additional fee may be assessed for ad-
15 justments to an amount previously certified pursu-
16 ant to such section 452(b) with respect to the same
17 obligor.”; and

18 (5) by striking “Secretary of Health, Edu-
19 cation, and Welfare” each place it appears and in-
20 serting “Secretary of Health and Human Services”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall become effective October 1, 1997.

23 **SEC. 363. AUTHORITY TO COLLECT SUPPORT FROM FED-**
24 **ERAL EMPLOYEES.**

25 (a) CONSOLIDATION AND STREAMLINING OF AU-
26 THORITIES.—

1 (1) Section 459 (42 U.S.C. 659) is amended in
2 the caption by inserting “INCOME WITHHOLDING,”
3 before “GARNISHMENT”.

4 (2) Section 459(a) (42 U.S.C. 659(a)) is
5 amended—

6 (A) by striking “(a)” and inserting “(a)
7 CONSENT TO SUPPORT ENFORCEMENT.—

8 (B) by striking “section 207” and insert-
9 ing “section 207 of this Act and 38 U.S.C.
10 5301”; and

11 (C) by striking all that follows “a private
12 person,” and inserting “to withholding in ac-
13 cordance with State law pursuant to subsections
14 (a)(1) and (b) of section 466 and regulations of
15 the Secretary thereunder, and to any other legal
16 process brought, by a State agency administer-
17 ing a program under this part or by an individ-
18 ual obligee, to enforce the legal obligation of
19 such individual to provide child support or ali-
20 mony.”.

21 (3) Section 459(b) (42 U.S.C. 659(b)) is
22 amended to read as follows:

23 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
24 PRIVATE PERSON.—Except as otherwise provided herein,
25 each entity specified in subsection (a) shall be subject,

1 with respect to notice to withhold income pursuant to sub-
2 section (a)(1) or (b) of section 466, or to any other order
3 or process to enforce support obligations against an indi-
4 vidual (if such order or process contains or is accompanied
5 by sufficient data to permit prompt identification of the
6 individual and the moneys involved), to the same require-
7 ments as would apply if such entity were a private per-
8 son.”.

9 (4) Section 459(c) (42 U.S.C. 659(c)) is redese-
10 igned and relocated as paragraph (2) of subsection
11 (f), and is amended—

12 (A) by striking “responding to interroga-
13 tories pursuant to requirements imposed by
14 section 461(b)(3)” and inserting “taking ac-
15 tions necessary to comply with the requirements
16 of subsection (A) with regard to any individ-
17 ual”; and

18 (B) by striking “any of his duties” and all
19 that follows and inserting “such duties.”.

20 (5) Section 461 (42 U.S.C. 661) is amended by
21 striking subsection (b), and section 459 (42 U.S.C.
22 659) is amended by inserting after subsection (b)
23 (as added by paragraph (3) of this subsection) the
24 following:

1 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
2 OR PROCESS.—(1) The head of each agency subject to the
3 requirements of this section shall—

4 “(A) designate an agent or agents to receive or-
5 ders and accept service of process; and

6 “(B) publish (i) in the appendix of such regula-
7 tions, (ii) in each subsequent republication of such
8 regulations, and (iii) annually in the Federal Reg-
9 ister, the designation of such agent or agents, identi-
10 fied by title of position, mailing address, and tele-
11 phone number.”.

12 (6) Section 459 (42 U.S.C. 659) is amended by
13 striking subsection (d) and by inserting after sub-
14 section (c)(1) (as added by paragraph (5) of this
15 subsection) the following:

16 “(2) Whenever an agent designated pursuant to para-
17 graph (1) receives notice pursuant to subsection (a)(1) or
18 (b) of section 466, or is effectively served with any order,
19 process, or interrogatories, with respect to an individual’s
20 child support or alimony payment obligations, such agent
21 shall—

22 “(A) as soon as possible (but not later than fif-
23 teen days) thereafter, send written notice of such no-
24 tice or service (together with a copy thereof) to such

1 individual at his duty station or last-known home
2 address;

3 “(B) within 30 days (or such longer period as
4 may be prescribed by applicable State law) after re-
5 ceipt of a notice pursuant to subsection (a)(1) or (b)
6 of section 466, comply with all applicable provisions
7 of such section 466; and

8 “(C) within 30 days (or such longer period as
9 may be prescribed by applicable State law) after ef-
10 fective service of any other such order, process, or
11 interrogatories, respond thereto.”

12 (7) Section 461 (42 U.S.C. 661) is amended by
13 striking subsection (c), and section 459 (42 U.S.C.
14 659) is amended by inserting after subsection (c) (as
15 added by paragraph (5) and amended by paragraph
16 (6) of this subsection) the following:

17 “(d) PRIORITY OF CLAIMS.—In the event that a gov-
18 ernmental entity receives notice or is served with process,
19 as provided in this section, concerning amounts owed by
20 an individual to more than one person—

21 “(1) support collection under section 466(b)
22 must be given priority over any other process, as
23 provided in section 466(b)(7);

24 “(2) allocation of moneys due or payable to an
25 individual among claimants under section 466(b)

1 shall be governed by the provisions of such section
2 466(b) and regulations thereunder; and

3 “(3) such moneys as remain after compliance
4 with subparagraphs (A) and (B) shall be available to
5 satisfy any other such processes on a first-come,
6 first-served basis, with any such process being satis-
7 fied out of such moneys as remain after the satisfac-
8 tion of all such processes which have been previously
9 served.”.

10 (8) Section 459(e) (42 U.S.C. 659(e)) is
11 amended by striking “(e)” and inserting the follow-
12 ing:

13 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—”.

14 (9) Section 459(f) (42 U.S.C. 659(f)) is amend-
15 ed by striking “(f)” and inserting the following:

16 “(f) RELIEF FROM LIABILITY.—(1)”.

17 (10) Section 461(a) (42 U.S.C. 661(a)) is re-
18 designated and relocated as section 459(g), and is
19 amended—

20 (A) by striking “(g)” and inserting the follow-
21 ing:

22 “(g) REGULATIONS.—”; and

23 (B) by striking “section 459” and inserting
24 “this section”.

1 (11) Section 462 (42 U.S.C. 662) is amended
2 by striking subsection (f), and section 459 (42
3 U.S.C. 659) is amended by inserting the following
4 after subsection (g) (as added by paragraph (10) of
5 this subsection):

6 “(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to
7 subsection (i), moneys paid or payable to an individual
8 which are considered to be based upon remuneration for
9 employment, for purposes of this section—

10 “(A) consist of—

11 “(i) compensation paid or payable for per-
12 sonal services of such individual, whether such
13 compensation is denominated as wages, salary,
14 commission, bonus, pay, allowances, or other-
15 wise (including severance pay, sick pay, and in-
16 centive pay);

17 “(ii) periodic benefits (including a periodic
18 benefit as defined in section 228(h)(3)) or other
19 payments—

20 “(I) under the insurance system es-
21 tablished by title II;

22 “(II) under any other system or fund
23 established by the United States which
24 provides for the payment of pensions, re-
25 tirement or retired pay, annuities, depend-

1 ents’ or survivors’ benefits, or similar
2 amounts payable on account of personal
3 services performed by the individual or any
4 other individual;

5 “(III) as compensation for death
6 under any Federal program;

7 “(IV) under any Federal program es-
8 tablished to provide ‘black lung’ benefits;
9 or

10 “(V) by the Secretary of Veterans Af-
11 fairs as pension, or as compensation for a
12 service-connected disability or death (ex-
13 cept any compensation paid by such Sec-
14 retary to a former member of the Armed
15 Forces who is in receipt of retired or re-
16 tainer pay if such former member has
17 waived a portion of his retired pay in order
18 to receive such compensation); and

19 “(iii) worker’s compensation benefits paid
20 under Federal or State law; but

21 “(B) do not include any payment—

22 “(i) by way of reimbursement or otherwise,
23 to defray expenses incurred by such individual
24 in carrying out duties associated with his em-
25 ployment; or

1 “(ii) as allowances for members of the uni-
2 formed services payable pursuant to chapter 7
3 of title 37, United States Code, as prescribed
4 by the Secretaries concerned (defined by section
5 101(5) of such title) as necessary for the effi-
6 cient performance of duty.”.

7 (12) Section 462(g) (42 U.S.C. 662(g)) is re-
8 designated and relocated as section 459(i) (42
9 U.S.C. 659(i)).

10 (13)(A) Section 462 (42 U.S.C. 662) is
11 amended—

12 (i) in subsection (e)(1), by redesignating
13 subparagraphs (A), (B), and (C) as clauses (i),
14 (ii), and (iii); and

15 (ii) in subsection (e), by redesignating
16 paragraphs (1) and (2) as subparagraphs (A)
17 and (B).

18 (B) Section 459 (42 U.S.C. 659) is amended by
19 adding at the end the following:

20 “(j) DEFINITIONS.—For purposes of this
21 section—”.

22 (C) Subsections (a) through (e) of section 462
23 (42 U.S.C. 662), as amended by subparagraph (A)
24 of this paragraph, are relocated and redesignated as
25 paragraphs (1) through (4), respectively of section

1 459(j) (as added by subparagraph (B) of this para-
2 graph, (42 U.S.C. 659(j)), and the left margin of
3 each of such paragraphs (1) through (4) is indented
4 2 ems to the right of the left margin of subsection
5 (i) (as added by paragraph (12) of this subsection).

6 (b) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV.—Sections 461 and
8 462 (42 U.S.C. 661), as amended by subsection (a)
9 of this section, are repealed.

10 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
11 tion 5520a of title 5, United States Code, is amend-
12 ed, in subsections (h)(2) and (i), by striking “sec-
13 tions 459, 461, and 462 of the Social Security Act
14 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
15 tion 459 of the Social Security Act (42 U.S.C.
16 659)”.

17 (c) MILITARY RETIRED AND RETAINER PAY.—(1)
18 DEFINITION OF COURT.—Section 1408(a)(1) of title 10,
19 United States Code, is amended—

20 (A) by striking “and” at the end of subpara-
21 graph (B);

22 (B) by striking the period at the end of sub-
23 paragraph (C) and inserting “; and”; and

24 (C) by adding after subparagraph (C) the fol-
25 lowing new paragraph:

1 “(D) any administrative or judicial tribunal of
2 a State competent to enter orders for support or
3 maintenance (including a State agency administering
4 a State program under part D of title IV of the So-
5 cial Security Act).”;

6 (2) DEFINITION OF COURT ORDER.—Section
7 1408(a)(2) of such title is amended by inserting “or a
8 court order for the payment of child support not included
9 in or accompanied by such a decree of settlement,” before
10 “which—”.

11 (3) PUBLIC PAYEE.—Section 1408(d) of such title is
12 amended—

13 (A) in the heading, by striking “to spouse” and
14 inserting “to (or for benefit of)”; and

15 (B) in paragraph (1), in the first sentence, by
16 inserting “(or for the benefit of such spouse or
17 former spouse to a State central collections unit or
18 other public payee designated by a State, in accord-
19 ance with part D of title IV of the Social Security
20 Act, as directed by court order, or as otherwise di-
21 rected in accordance with such part D)” before “in
22 an amount sufficient”.

23 (4) RELATIONSHIP TO PART D OF TITLE IV.—Sec-
24 tion 1408 of such title is amended by adding at the end
25 the following new subsection:

1 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
2 involving a child support order against a member who has
3 never been married to the other parent of the child, the
4 provisions of this section shall not apply, and the case
5 shall be subject to the provisions of section 459 of the
6 Social Security Act.”.

7 (d) EFFECTIVE DATE.—The amendments made by
8 this section shall become effective 6 months after the date
9 of the enactment of this Act.

10 **SEC. 364. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
11 **TIONS OF MEMBERS OF THE ARMED FORCES.**

12 (a) AVAILABILITY OF LOCATOR INFORMATION.—

13 (1) MAINTENANCE OF ADDRESS INFORMA-
14 TION.—The Secretary of Defense shall establish a
15 centralized personnel locator service that includes
16 the address of each member of the Armed Forces
17 under the jurisdiction of the Secretary. Upon re-
18 quest of the Secretary of Transportation, addresses
19 for members of the Coast Guard shall be included in
20 the centralized personnel locator service.

21 (2) TYPE OF ADDRESS.—

22 (A) RESIDENTIAL ADDRESS.—Except as
23 provided in subparagraph (B), the address for
24 a member of the Armed Forces shown in the lo-

1 cator service shall be the residential address of
2 that member.

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

7 (i) who is permanently assigned overseas,
8 to a vessel, or to a routinely deployable unit; or

9 (ii) with respect to whom the Secretary
10 concerned makes a determination that the
11 member's residential address should not be dis-
12 closed due to national security or safety con-
13 cerns.

14 (3) UPDATING OF LOCATOR INFORMATION.—
15 Within 30 days after a member listed in the locator
16 service establishes a new residential address (or a
17 new duty address, in the case of a member covered
18 by paragraph (2)(B)), the Secretary concerned shall
19 update the locator service to indicate the new ad-
20 dress of the member.

21 (4) AVAILABILITY OF INFORMATION.—The Sec-
22 retary of Defense shall make information regarding
23 the address of a member of the Armed Forces listed
24 in the locator service available, on request, to the
25 Federal Parent Locator Service.

1 (b) FACILITATING GRANTING OF LEAVE FOR AT-
2 TENDANCE AT HEARINGS.—

3 (1) REGULATIONS.—The Secretary of each
4 military department, and the Secretary of Transpor-
5 tation with respect to the Coast Guard when it is
6 not operating as a service in the Navy, shall pre-
7 scribe regulations to facilitate the granting of leave
8 to a member of the Armed Forces under the juris-
9 diction of that Secretary in a case in which—

10 (A) the leave is needed for the member to
11 attend a hearing described in paragraph (2);

12 (B) the member is not serving in or with
13 a unit deployed in a contingency operation (as
14 defined in section 101 of title 10, United States
15 Code); and

16 (C) the exigencies of military service (as
17 determined by the Secretary concerned) do not
18 otherwise require that such leave not be granted

19 (2) COVERED HEARINGS.—Paragraph (1) ap-
20 plies to a hearing that is conducted by a court or
21 pursuant to an administrative process established
22 under State law, in connection with a civil action—

23 (A) to determine whether a member of the
24 Armed Forces is a natural parent of a child; or

1 (B) to determine an obligation of a mem-
2 ber of the Armed Forces to provide child sup-
3 port.

4 (3) DEFINITIONS.—for purposes of this sub-
5 section;

6 (A) The term “court” has the meaning
7 given that term in section 1408(a) of title 10,
8 United States Code.

9 (B) The term “child support” has the
10 meaning given such term in section 462 of the
11 Social Security Act (42 U.S.C. 662).

12 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
13 PLIANCE WITH CHILD SUPPORT ORDERS.—

14 (1) DATE OF CERTIFICATION OF COURT
15 ORDER.—Section 1408 of title 10, United States
16 Code, is amended—

17 (A) by redesignating subsection (i) as sub-
18 section (j); and

19 (B) by inserting after subsection (h) the
20 following new subsection (i):

21 “(i) CERTIFICATION DATE.—It is not necessary that
22 the date of a certification of the authenticity or complete-
23 ness of a copy of a court order or an order of an adminis-
24 trative process established under State law for child sup-
25 port received by the Secretary concerned for the purposes

1 of this section be recent in relation to the date of receipt
2 by the Secretary.”.

3 (2) PAYMENTS CONSISTENT WITH ASSIGN-
4 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
5 of such title is amended by inserting after the first
6 sentence the following: “In the case of a spouse or
7 former spouse who, pursuant to section 402(a)(26)
8 of the Social Security Act (42 U.S.C. 602(26)), as-
9 signs to a State the rights of the spouse or former
10 spouse to receive support, the Secretary concerned
11 may make the child support payments referred to in
12 the preceding sentence to that State in amounts con-
13 sistent with that assignment of rights.”.

14 (3) ARREARAGES OWED BY MEMBERS OF THE
15 UNIFORMED SERVICES.—Section 1408(d) of such
16 title is amended by adding at the end the following
17 new paragraph:

18 “(6) In the case of a court order or an order of an
19 administrative process established under State law for
20 which effective service is made on the Secretary concerned
21 on or after the date of the enactment of this paragraph
22 and which provides for payments from the disposable re-
23 tired pay of a member to satisfy the amount of child sup-
24 port set forth in the order, the authority provided in para-
25 graph (1) to make payments from the disposable retired

1 pay of a member to satisfy the amount of child support
2 set forth in a court or an order of an administrative proc-
3 ess established under State law shall apply to payment of
4 any amount of child support arrearages set forth in that
5 order as well as to amounts of child support that currently
6 become due.”.

7 **SEC. 365. MOTOR VEHICLE LIENS.**

8 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amend-
9 ed—

10 (1) by striking “(4) Procedures” and inserting
11 the following:

12 “(4) LIENS.—

13 “(A) IN GENERAL.—Procedures”; and

14 (2) by adding at the end the following new sub-
15 paragraph:

16 “(B) MOTOR VEHICLE LIENS.—Procedures
17 for placing liens for arrears of child support on
18 motor vehicle titles of individuals owing such
19 arrears equal to or exceeding two months of
20 support, under which—

21 “(i) any person owed such arrears
22 may place such a lien;

23 “(ii) the State agency administering
24 the program under this part, shall system-
25 atically place such liens;

1 “(iii) expedited methods are provided
2 for—

3 “(I) ascertaining the amount of
4 arrears;

5 “(II) affording the person owing
6 the arrears or other titleholder to con-
7 test the amount of arrears or to ob-
8 tain a release upon fulfilling the sup-
9 port obligation;

10 “(iv) such a lien has precedence over
11 all other encumbrances on a vehicle title
12 other than a purchase money security in-
13 terest; and

14 “(v) the individual or State agency
15 owed the arrears may execute on, seize,
16 and sell the property in accordance with
17 State law.”.

18 **SEC. 366. VOIDING OF FRAUDULENT TRANSFERS.**

19 Section 466(a) (42 U.S.C. 666(a)), as amended by
20 sections 301(a), 328(a), and 331 of this Act, is amended
21 by adding at the end the following new paragraph:

22 “(15) FRAUDULENT TRANSFERS.—Procedures
23 under which—

24 “(A) the State has in effect—

1 “(i) the Uniform Fraudulent Convey-
2 ance Act of 1981,

3 “(ii) the Uniform Fraudulent Trans-
4 fer Act of 1984, or

5 “(iii) another law, specifying indicia of
6 fraud which create a prima facie case that
7 a debtor transferred income or property to
8 avoid payment to a child support creditor,
9 which the Secretary finds affords com-
10 parable rights to child support creditors;
11 and

12 “(B) in any case in which the State knows
13 of a transfer by a child support debtor with re-
14 spect to which such a prima facie case is estab-
15 lished, the State must—

16 “(i) seek to void such transfer; or

17 “(ii) obtain a settlement in the best
18 interests of the child support creditor.”.

19 **SEC. 367. STATE LAW AUTHORIZING SUSPENSION OF LI-**
20 **CENSES.**

21 Section 466(a) (42 U.S.C. 666(a)), as amended by
22 sections 301(a), 328(a), 331, and 166 of this Act, is
23 amended by adding at the end the following new para-
24 graph:

1 “(16) AUTHORITY TO WITHHOLD OR SUSPEND
2 LICENSES.—Procedures under which the State has
3 (and uses in appropriate cases) authority (subject to
4 appropriate due process safeguards) to withhold or
5 suspend, or to restrict the use of driver’s licenses,
6 professional and occupational licenses, and rec-
7 reational licenses of individuals owing overdue child
8 support or failing, after receiving appropriate notice,
9 to comply with subpoenas or warrants relating to
10 paternity or child support proceedings.”.

11 **SEC. 368. REPORTING ARREARAGES TO CREDIT BUREAUS.**

12 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
13 to read as follows:

14 “(7) REPORTING ARREARAGES TO CREDIT BU-
15 REAUUS.—(A) Procedures (subject to safeguards pur-
16 suant to subparagraph (B)) requiring the State to
17 report periodically to consumer reporting agencies
18 (as defined in section 603(f) of the Fair Credit Re-
19 porting Act (15 U.S.C. 1681a(f)) the name of any
20 absent parent who is delinquent by 90 days or more
21 in the payment of support, and the amount of over-
22 due support owed by such parent.

23 “(B) Procedures ensuring that, in carrying out
24 subparagraph (A), information with respect to an
25 absent parent is reported—

1 “(i) only after such parent has been af-
2 forded all due process required under State law,
3 including notice and a reasonable opportunity
4 to contest the accuracy of such information;
5 and

6 “(ii) only to an entity that has furnished
7 evidence satisfactory to the State that the en-
8 tity is a consumer reporting agency.”.

9 **SEC. 389. EXTENDED STATUTE OF LIMITATION FOR COL-**
10 **LECTION OF ARREARAGES.**

11 (a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C.
12 666(a)(9)) is amended—

13 (1) by striking “(9) Procedures” and inserting
14 the following:

15 “(9) LEGAL TREATMENT OF ARREARS.—

16 “(A) FINALITY.—Procedures”;

17 (2) by redesignating subparagraphs (A), (B),
18 and (C) as clauses (i), (ii), and (iii), respectively,
19 and by indenting each of such clauses 2 additional
20 ems to the right; and

21 (3) by adding after and below subparagraph
22 (A), as redesignated, the following new subpara-
23 graph:

24 “(B) STATUTE OF LIMITATIONS.—Proce-
25 dures under which the statute of limitations on

1 any arrearages of child support extends at least
2 until the child owed such support is 30 years of
3 age.”.

4 (b) APPLICATION OF REQUIREMENT.—The amend-
5 ment made by this section shall not be read to require
6 any State law to revive any payment obligation which had
7 lapsed prior to the effective date of such State law.

8 **SEC. 370. CHARGES FOR ARREARAGES.**

9 (A) STATE LAW REQUIREMENT.—Section 466(a) (42
10 U.S.C. 666(a)), as amended by section 301(a), 328(a),
11 331, 366, and 367 of this Act, is amended by adding at
12 the end the following new paragraph:

13 “(17) CHARGES FOR ARREARAGES.—Proce-
14 dures providing for the calculation and collection of
15 interest or penalties for arrearages of child support,
16 and for distribution of such interest or penalties col-
17 lected for the benefit of the child (except where the
18 right to support has been assigned to the State).”.

19 (b) REGULATIONS.—The Secretary of Health and
20 Human Services shall establish by regulation a rule to re-
21 solve choice of law conflicts arising in the implementation
22 of the amendment made by subsection (a).

23 (c) CONFORMING AMENDMENT.—Section 454(21)
24 (42 U.S.C. 654(21)) is repealed.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall be effective with respect to arrearages
3 accruing on or after October 1, 1998.

4 **SEC. 371. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
5 **CHILD SUPPORT.**

6 (a) HHS CERTIFICATION PROCEDURE.—

7 (1) SECRETARIAL RESPONSIBILITY.—Section
8 452 (42 U.S.C. 652), as amended by sections
9 315(a)(3) and 317 of this Act, is amended by adding
10 at the end the following new subsection:

11 “(l) CERTIFICATIONS FOR PURPOSES OF PASSPORT
12 RESTRICTIONS.—

13 “(1) IN GENERAL.—Where the Secretary re-
14 ceives a certification by a State agency in accord-
15 ance with the requirements of section 454(28) that
16 an individual owes arrearages of child support in an
17 amount exceeding \$5,000 or in an amount exceeding
18 24 months’ worth of child support, the Secretary
19 shall transmit such certification to the Secretary of
20 State for action (with respect to denial, revocation,
21 or limitation of passports) pursuant to section
22 171(b) of this Act.

23 “(2) LIMIT ON LIABILITY.—The Secretary shall
24 not be liable to an individual for any action with re-

1 spect to a certification by a State agency under this
2 section.”.

3 (2) STATE CSE AGENCY RESPONSIBILITY.—Sec-
4 tion 454 (42 U.S.C. 654), as amended by sections
5 304(a), 314(b), and 322(a) of this Act, is amend-
6 ed—

7 (A) by striking “and” at the end of para-
8 graph (26);

9 (B) by striking the period at the end of
10 paragraph (27) and inserting “; and”; and

11 (C) by adding after paragraph (27) the fol-
12 lowing new paragraph:

13 “(28) provide that the State agency will have in
14 effect a procedure (which may be combined with the
15 procedure for tax refund offset under section 464)
16 for certifying to the Secretary, for purposes of the
17 procedure under section 452(l) (concerning denial of
18 passports) determinations that individuals owe ar-
19 rearages of child support in an amount exceeding
20 \$5,000 or in an amount exceeding 24 months’ worth
21 of child support, under which procedure—

22 “(A) each individual concerned is afforded
23 notice of such determination and the con-
24 sequences thereof, and an opportunity to con-
25 test the determination; and

1 VENTION OF 1956.—It is the sense of the Congress that
2 the United States should ratify the United Nations Con-
3 vention of 1956.

4 (b) TREATMENT OF INTERNATIONAL CHILD SUP-
5 PORT CASES AS INTERSTATE CASES.—Section 454 (42
6 U.S.C. 654), as amended by sections 304(a), 314(b),
7 322(a), and 371(a)(2) of this Act, is amended—

8 (1) by striking “and” at the end of paragraph
9 (27);

10 (2) by striking the period at the end of para-
11 graph (28) and inserting “; and”; and

12 (3) by inserting after paragraph (28) the fol-
13 lowing:

14 “(29) provide that the State must treat inter-
15 national child support cases in the same manner as
16 the State treats interstate child support cases.”.

17 **Subtitle H—Medical Support**

18 **SEC. 381. TECHNICAL CORRECTION TO ERISA DEFINITION**

19 **OF MEDICAL CHILD SUPPORT ORDER.**

20 (a) GENERAL.—Section 609(a)(2)(B) of the Em-
21 ployee Retirement Income Security Act of 1974 (29
22 U.S.C. 1169(a)(2)(B)) is amended—

23 (1) by striking “issued by a court of competent
24 jurisdiction”;

1 (2) by striking the period at the end of clause
2 (ii) and inserting a comma; and

3 (3) by adding, after and below clause (ii), the
4 following: “if such judgment, decree, or order (I) is
5 issued by a court of competent jurisdiction or (II) is
6 issued by an administrative adjudicator and has the
7 force and effect of law under applicable State law.”.

8 (b) EFFECTIVE DATE.—

9 (1) IN GENERAL.—The amendments made by
10 this section shall take effect on the date of the en-
11 actment of this Act.

12 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
13 JANUARY 1, 1996.—Any amendment to a plan re-
14 quired to be made by an amendment made by this
15 section shall not be required to be made before the
16 first plan year beginning on or after January 1,
17 1996, if—

18 (A) during the period after the date before
19 the date of the enactment of this Act and be-
20 fore such first plan year, the plan is operated
21 in accordance with the requirements of the
22 amendments made by this section, and

23 (B) such plan amendment applies retro-ac-
24 tively to the period after the date before the

1 date of the enactment of this Act and before
2 such first plan year.

3 A plan shall not be treated as failing to be operated
4 in accordance with the provisions of the plan merely
5 because it operates in accordance with this para-
6 graph.

7 **Subtitle I—Effect of Enactment**

8 **SEC. 391. EFFECTIVE DATES.**

9 (A) IN GENERAL.—Except as otherwise specifically
10 provided (but subject to subsections (b) and (c))—

11 (1) provisions of this title requiring enactment
12 or amendment of State laws under section 466 of
13 the Social Security Act, or revision of State plans
14 under section 454 of such Act, shall be effective with
15 respect to periods beginning on and after October 1,
16 1996; and

17 (2) all other provisions of this title shall become
18 effective upon enactment.

19 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
20 provisions of this title shall become effective with respect
21 to a State on the later of—

22 (1) the date specified in this title, or

23 (2) the effective date of laws enacted by the leg-
24 islature of such State implementing such provisions,
25 but in no event later than the first day of the first

1 calender quarter beginning after the close of the
2 first regular session of the State legislature that be-
3 gins after the date of enactment of this Act. For
4 purposes of the previous sentence, in the case of a
5 State that has a 2-year legislative session, each year
6 of such session shall be deemed to be a separate reg-
7 ular session of the State legislature.

8 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
9 AMENDMENT.—A State shall not be found out of compli-
10 ance with any requirement enacted by this title if it is
11 unable to comply without amending the State constitution
12 until the earlier of—

13 (1) the date one year after the effective date of
14 the necessary State constitutional amendment, or

15 (2) the date five years after enactment of this
16 title.

17 **SEC. 392. SEVERABILITY.**

18 If any provision of this title or the application thereof
19 to any person or circumstance is held invalid, the invalid-
20 ity shall not affect other provisions or applications of this
21 title which can be given effect without regard to the invalid
22 provision or application, and to this end the provisions of
23 this title shall be severable.

1 **TITLE IV—REAUTHORIZATION**
2 **OF CHILD CARE AND DEVEL-**
3 **OPMENT BLOCK GRANT**

4 **SEC. 431. REAUTHORIZATION OF CHILD CARE AND DEVEL-**
5 **OPMENT BLOCK GRANT.**

6 Section 658B of the Child Care and Development
7 Block Grant Act of 1990 (42 U.S.C. 9858) is amended
8 to read as follows:

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

10 “There are authorized to be appropriated to carry out
11 this subchapter—

12 “(1) such sums as may be necessary for fiscal
13 year 1995;

14 “(2) \$1,000,000,000 for fiscal year 1996;

15 “(3) \$1,500,000,000 for fiscal year 1997;

16 “(4) \$2,000,000,000 for fiscal year 1998;

17 “(5) \$2,500,000,000 for fiscal year 1999;

18 “(6) \$3,000,000,000 for fiscal year 2000; and

19 “(7) \$3,500,000,000 for fiscal year 2001.”.

1 **TITLE V—AMENDMENTS TO THE**
2 **INTERNAL REVENUE CODE**

3 **SEC. 501. INCREASE IN TOP MARGINAL RATE UNDER SEC-**
4 **TION 11.**

5 (a) IN GENERAL.—The following provisions of the In-
6 ternal Revenue Code of 1986 are amended by striking
7 “35” and inserting “36.25”:

8 (1) Section 11(b)(1).

9 (2) Section 11(b)(2).

10 (3) Section 1201(a).

11 (4) Paragraphs (1) and (2) of section 1445(e)

12 (b) EFFECTIVE DATE.—The amendments made by
13 this section shall apply to taxable years beginning on or
14 after October 1, 1996, except that the amendment made
15 by subsection (a)(4) shall take effect on October 1, 1996.

16 **TITLE VI—EFFECTIVE DATE**

17 **SEC. 601. EFFECTIVE DATE.**

18 Except as otherwise provided in this Act, this Act and
19 the amendments made by this Act shall take effect on
20 October 1, 1996.

Amend the title so as to read: “A bill to promote self-sufficiency and stability among families receiving aid to families with dependent children by increasing employment opportunities; to increase State flexibility in operating a Job Opportunities and Basic skills Training Program; to improve the interstate enforcement of child sup-

port and parentage court orders; and for other purposes.”.



HR 1250 IH—2

HR 1250 IH—3

HR 1250 IH—4

HR 1250 IH—5

HR 1250 IH—6

HR 1250 IH—7

HR 1250 IH—8

HR 1250 IH—9

HR 1250 IH—10

HR 1250 IH—11