

608. A letter from the Secretary of Energy, transmitting the 28th report to Congress on enforcement actions and comprehensive status of Exxon and stripper well oil overcharge funds; to the Committee on Commerce.

609. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Air Force's proposed Letter(s) of Offer and Acceptance [LOA] to Korea for defense articles and services (Transmittal No. 95-19), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

610. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Saudi Arabia for defense articles and services (Transmittal No. 95-18), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

611. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Thailand for defense articles and services (Transmittal No. 95-17), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

612. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Lebanon for defense articles and services (Transmittal No. 95-16), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

613. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Navy's proposed Letter(s) of Offer and Acceptance [LOA] to the Taipei Economic and Cultural Representative Office in the United States [TECRO] for defense articles and services (Transmittal No. 95-15), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

614. A letter from the Director, Defense Security Assistance Agency, transmitting notification concerning the Department of the Army's proposed Letter(s) of Offer and Acceptance [LOA] to Kuwait for defense articles and services (Transmittal No. 95-14), pursuant to 22 U.S.C. 2776(b); to the Committee on International Relations.

615. A letter from the Comptroller General, General Accounting Office, transmitting the list of all reports issued or released in February 1995, pursuant to 31 U.S.C. 719(h); to the Committee on Government Reform and Oversight.

616. A letter from the Judicial Conference of the United States, transmitting the Conference's report on the admission of character evidence in certain cases under the Federal Rules of Evidence; to the Committee on the Judiciary.

617. A letter from the Secretary of Defense and the Attorney General of the United States, transmitting a report entitled, "Conversion of Closed Military Installations into Federal Prison Facilities"; jointly, to the Committee on the Judiciary and National Security.

150.4 WELFARE REFORM

The SPEAKER pro tempore, Mr. CUNNINGHAM, pursuant to House Resolution 119 and rule XXIII, declared the House resolved into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H.R. 4) to restore the American family, reduce illegitimacy, control welfare spending, and reduce welfare dependence.

Mr. LINDER, Chairman of the Committee of the Whole, resumed the

chair; and after some time spent therein,

150.5 RECORDED VOTE

A recorded vote by electronic device was ordered in the Committee of the Whole on the following amendment in the nature of a substitute submitted by Mrs. MINK:

Strike all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Family Stability and Work Act of 1995".

SEC. 2. REFERENCE TO SOCIAL SECURITY ACT.

Except as otherwise specifically provided, wherever in this Act an amendment is expressed in terms of an amendment to or repeal of a section or other provision, the reference shall be considered to be made to that section or other provision of the Social Security Act.

SEC. 3. TABLE OF CONTENTS.

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.

TITLE I—IMPROVING AID TO FAMILIES WITH DEPENDENT CHILDREN

SEC. 101. INCREASE IN STANDARD EARNED INCOME DISREGARD.

Clause (ii) of section 402(a)(8)(A) (42 U.S.C. 602(a)(8)(A)(ii)) is amended by striking "\$90" and inserting "\$170".

**SEC. 102. INCREASE IN STATE FLEXIBILITY REGARDING RECIPIENT PARTICIPATION IN JOBS PROGRAM.**

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

“(19) provide—

“(A) that the State has in effect and operation a job opportunities and basic skills training program which meets the requirements of part F;

“(B) that, not later than 30 days after approving the application of a family for aid under the State plan approved under this part, the State shall—

“(i) conduct an initial assessment of the self-sufficiency needs of the family that includes an assessment of the family circumstances, the educational, child care, and other supportive services needs, and the skills, prior work experience, and employability of each recipient;

“(ii) determine whether it would be appropriate to require or permit any member of the family to participate in the program of the State under part F; and

“(iii) advise the family of the availability of child care assistance under section 402(g) for participation in education, training, and employment;

“(C) that—

“(i) the costs of attendance by a recipient at an institution of higher education (as defined in section 481(a) of the Higher Education Act of 1965), or a school or course of vocational or technical training, shall not constitute federally reimbursable expenses for purposes of section 403; and

“(ii) the costs of day care, transportation, and other services which are necessary (as determined by the State agency) for such attendance in accordance with section 402(g) are eligible for Federal reimbursement so long as the recipient is making satisfactory progress in such institution, school, or course and such attendance is consistent with the employment goals in the recipient's self-sufficiency plan developed under part F;

“(D) that—

“(i) if an individual who is required by the State to participate in the program of the State under part F fails without good cause to participate or refuses without good cause to accept employment in which such individual is able to engage which is offered through the public employment offices of the State, or is otherwise offered by an employer if the offer of such employer is determined to be a bona fide offer of employment—

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

“(II) such individual is a member of a family in which both parents are living at home, and his or her spouse has not failed to comply under this clause, in which case the needs of such individual shall not be taken into account in making the determination with respect to his or her family under paragraph (7) of this subsection;

“(ii) any sanction described in clause (i) shall continue until the failure to comply ceases;

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

“(I) on the basis of the refusal of an individual to accept any employment (including any employment offered under the program), if the employment does not pay at least the Federal minimum wage under section 6(a) of the Fair Labor Standards Act of 1938; or

“(II) on the basis of the refusal of an individual to participate in the program or accept employment (including any employment offered under the program), if child care (or day care for any incapacitated individual living in the same home as a dependent child) is necessary for an individual to participate in the program or accept employ-

ment, such care is not available, and the State agency fails to provide such care; and

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

(b) CHANGE IN PAYMENT TO STATES.—Section 403(l) (42 U.S.C. 603(l)) is amended by striking paragraph (2).

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

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

(b) CONFORMING AMENDMENTS.—

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

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

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

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

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

(6) Section 407 (42 U.S.C. 607) is hereby repealed.

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

(8) Section 473(a)(2)(A)(i) (42 U.S.C. 673(a)(2)(A)(i)) is amended by striking “or section 407”.

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

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

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

(12) Section 1905 (42 U.S.C. 1396d) is amended by striking subsection (m).

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

(A) in subparagraph (A)—

(i) by striking “(or)” and all that follows through “407”; and

(ii) by adding “or” at the end; and

(B) by striking subparagraph (B).

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

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

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

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

“(iii) A family shall only be eligible for child care provided under clause (ii)—

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

“(II) until the income of the family exceeds by more than 200 percent the income official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved;

whichever occurs first.”.

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

(a) AFDC AND TRANSITIONAL CHILD CARE.—

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

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

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

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

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

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

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

(3) by inserting after subparagraph (F) the following:

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

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

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

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

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

**SEC. 107. REQUIREMENT WITH RESPECT TO JOBS PROGRAM PARTICIPATION RATE.**

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

“(d)(1) With respect to the program established by a State under part F, the State shall achieve a participation rate for the following fiscal years of not less than the following percentage:

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

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

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

“(B) the average monthly number of individuals who, during the fiscal year, are adult recipients of aid under the State plan approved under part A or participate in the State program established under part F.

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

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

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

(b) CHANGE IN PAYMENT TO STATES.—Section 403(l) (42 U.S.C. 603(l)) is amended by striking paragraphs (3) and (4).

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

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

“(2)(A) Notwithstanding paragraph (1), the Secretary shall pay to a State, with respect to expenditures made by the State that are described in paragraph (1)(A)(ii)(II), an amount equal to the greater of 70 percent or the Federal medical assistance percentage (as defined in section 1118 in the case of any State to which section 1108 applies, or as defined in section 1905(b) in the case of any other State) increased by 10 percent if the number of qualified families with respect to the State for a fiscal year equals or exceeds the proportion specified in subparagraph (B) for such year of the total number of individuals participating in the State program established under part F during such year.

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

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

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

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

“(C) For purposes of subparagraph (A), the term ‘qualified family’ means, with respect to a State for a fiscal year, a family—

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

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

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

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

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

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

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

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

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

(3) by adding at the end the following:

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

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

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

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

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

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

**SEC. 110. IMPROVEMENTS IN JOBS PROGRAM SELF-SUFFICIENCY PLANNING AND CASE MANAGEMENT.**

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

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

“(b) SELF-SUFFICIENCY PLAN.—”;

(2) by striking paragraph (1)(A), redesignating paragraph (1)(B) as paragraph (1)(A), and adjusting the placement and margins of paragraph (1)(A) (as so redesignated) accordingly;

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

(A) by striking “such assessment,” and inserting “the initial assessment of self-sufficiency under section 402(a)(19)(B);” and

(B) by striking “employability plan” each place such term appears and inserting “self-sufficiency plan”;

(4) in paragraph (2)—

(A) by striking “initial assessment and review and the development of the employability plan” and inserting “initial assessment of self-sufficiency and the development of the self-sufficiency plan”;

(B) by striking “the State agency may require” and inserting “the State agency shall require”;

(C) by striking “If the State agency exercises the option under the preceding sentence, the State agency must” and inserting “The State agency must”;

(5) in paragraph (3)—

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

(B) by adding at the end the following:

“Case management services under this paragraph shall continue for a period of not fewer than 90 days after a participant becomes employed, and, at the option of the State, the State may extend such period to not more than 365 days.”

**SEC. 111. CHANGE IN MANDATORY SERVICES AND ACTIVITIES UNDER THE JOBS PROGRAM.**

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

“(d) SERVICES AND ACTIVITIES UNDER THE PROGRAM.—(1)(A) In carrying out the program, each State shall make available a broad range of services and activities to aid in carrying out the purpose of this part. Such services and activities—

“(i) shall include—

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

“(II) job skills training;

“(III) job readiness activities to help prepare participants for work;

“(IV) job development and job placement;

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

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

“(ii) may include—

“(I) on-the-job training; and

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

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

(1) by striking paragraph (2); and

(2) by redesignating paragraph (3) as paragraph (2).

**SEC. 112. JOBS CREATION AND WORK EXPERIENCE PROGRAM.**

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

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

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

(3) by inserting after subsection (d) the following:

“(e) JOBS CREATION AND WORK EXPERIENCE PROGRAM.—

“(1) IN GENERAL.—In carrying out the program, each State shall establish a job creation and work experience program in accordance with this subsection.

“(2) GENERAL REQUIREMENTS.—A job creation and work experience program is a program that provides employment in the public sector or in the private sector in accordance with the following requirements:

“(A) PARTICIPATION.—A State shall require an individual to participate in the job creation and work experience program if the individual—

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

“(ii) is prepared to commence employment, as determined under the self-sufficiency plan developed for the individual under subsection (b)(1)(A); and

“(iii) has demonstrated that the individual is not otherwise able to obtain employment in the public or private sectors.

“(B) PERIODIC JOB SEARCH REQUIRED.—As a continuing condition of eligibility to participate in the job creation and work experience program, each participant in the program shall periodically engage in job search.

“(C) ENTRY-LEVEL POSITIONS.—

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

“(ii) NO INFRINGEMENT ON PROMOTIONAL OPPORTUNITIES.—A job shall not be created in a promotional line that will infringe in any way upon the promotional opportunities of persons employed in jobs not subsidized under this subsection.

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

“(E) MINIMUM WAGE REQUIREMENT.—An individual participating in the job creation and work experience program may not be required to accept any employment if the wage rate for such employment does not equal or exceed the minimum wage rate then in effect under section 6 of the Fair Labor Standards Act of 1938.

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

“(4) PRESERVATION OF ELIGIBILITY FOR CHILD CARE ASSISTANCE AND MEDICAID BENEFITS.—Any individual who becomes ineligible to receive aid under a State plan approved under part A by reason of income from employment provided under a program established under this subsection to the caretaker relative of the family of which the individual is a member shall for purposes of eligibility for child care benefits under section 402(g)(1)(A)(i) and for purposes of eligibility for medical assistance under the State plan approved under title XIX, be considered to be receiving such aid for so long as the subsidized employment provided to the individual under this subsection continues.”

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

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

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

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

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

“(B) No work assignment under a program established under section 482 shall result in any infringement of the promotional opportunities of any employed individual.

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

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

“(I) will supplant the hiring of employed workers; or

“(II) are services, duties or activities with respect to which an individual has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures.

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

“(I) presently employed worker if the participant is in a program established under section 482(e);

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

“(III) employee who—

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

“(bb) has recall rights pursuant to a collective bargaining agreement or applicable personnel procedures;

“(IV) employee who is on leave (terminal, temporary, vacation, emergency, or sick); or

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

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

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

“(d)(1) A participant in a program established under subsection (e) of section 482 may not be assigned to fill any established un-filled position vacancy.

“(2)(A) A program established under section 482 may not be used to assist, promote, or deter union organizing.

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

## TITLE II—MAKING WORK PAY

### SEC. 201. TRANSITIONAL MEDICAID BENEFITS.

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

(1) IN GENERAL.—Section 1925(b)(1) (42 U.S.C. 1396r-6(b)(1)) is amended by striking the period at the end and inserting the following: “, and that the State shall offer to each such family the option of extending coverage under this subsection for any of the first 2 succeeding 6-month periods, in the same manner and under the same conditions as the option of extending coverage under this subsection for the first succeeding 6-month period.”

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

(A) in the heading, by striking “EXTENSION” and inserting “EXTENSIONS”;

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

(C) in paragraph (2)(B)(ii)—

(i) in the heading, by striking “PERIOD” and inserting “PERIODS”, and

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

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

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

(F) in paragraph (5)(D)(i), by striking “is a 3-month period” and all that follows and inserting the following: “is, with respect to a particular 6-month additional extension period provided under this subsection, a 3-month period beginning with the first or fourth month of such extension period.”

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

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

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

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

“(6) EXTENSION OF COVERAGE FOR LOW-INCOME CHILDREN.—

“(A) IN GENERAL.—Notwithstanding any other provision of this title, each State plan approved under this title shall provide that the State shall offer (in the last month of the third additional extension period provided under paragraph (1)) to each eligible low-income child who has received assistance pursuant to this section during each of the 6-month periods described in subsection (a) and paragraph (1) the option of coverage under the State plan, in the same manner and under the same conditions as the option of extending coverage under paragraph (1) for the second and third additional extension periods provided under such paragraph.

“(B) ELIGIBLE LOW-INCOME CHILD DEFINED.—In subparagraph (A), the term ‘eligible low-income child’ means an individual who has not attained 18 years of age and whose family income does not exceed 200 percent of the official poverty line (as defined by the Office of Management and Budget, and revised annually in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved.”

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

### SEC. 202. TEMPORARY EXCLUSION OF EARNED INCOME FOR PURPOSES OF DETERMINING RENT PAID FOR UNITS IN FEDERALLY ASSISTED HOUSING.

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

(A) 24 months thereafter, or

(B) upon the first date after the commencement of such employment that the income of the family exceeds 200 percent of the official poverty line (as defined by the Office of Management and Budget and revised periodically in accordance with section 673(2) of the Omnibus Budget Reconciliation Act of 1981) applicable to a family of the size involved, whichever occurs first.

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

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

(A) for which assistance is provided by the Secretary of Housing and Urban Development in the form of any grant, contract, loan, loan guarantee, cooperative agreement, rental assistance payment, interest subsidy, insurance, or direct appropriation, or that is located in a project for which such assistance is provided; and

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

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

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

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

### SEC. 203. CONTINUATION OF FOOD STAMP BENEFITS.

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

“Notwithstanding any other provision of this subsection, in the case of a household that receives benefits under part A of title IV of the Social Security Act and whose income increases because a member of such household obtains employment, the earned income from such employment shall be excluded during a 2-year period for purposes of determining eligibility under such standards unless the aggregate income of such household exceeds the poverty line by more than 200 percent.”

(b) APPLICATION OF AMENDMENT.—The amendment made by subsection (a) shall not apply with respect to certification periods beginning before the date of the enactment of this Act.

## 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.

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

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

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

“(B) child support payments are collected through the centralized collections unit established in accordance with section 454B—

“(i) on and after October 1, 1998, under each order subject to wage withholding under section 466(b); and

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

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

"(ii) an agreement described in clause (i) becomes void whenever either party advises the State agency of an intent to vacate the agreement."

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

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

"(4) provide that such State will undertake—

"(A) to provide appropriate services under this part—

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

"(ii) each child not described in clause (i)—

"(I) with respect to whom an individual applies for such services; and

"(II) (on and after October 1, 1998) each child with respect to whom a support order is recorded in the central State case registry established under section 454A, regardless of whether application is made for services under this part; and

"(B) to enforce the support obligation established with respect to the custodial parent of a child described in subparagraph (A) unless the parties to the order which establishes the support obligation have opted, in accordance with section 466(a)(12)(C), for an alternative payment procedure."; and

(2) in paragraph (6)—

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

"(A) services under the State plan shall be made available to nonresidents on the same terms as to residents";

(B) in subparagraph (B)—

(i) by inserting "on individuals not receiving assistance under part A" after "such services shall be imposed"; and

(ii) by inserting "but no fees or costs shall be imposed on any absent or custodial parent or other individual for inclusion in the central State registry maintained pursuant to section 454A(e)"; and

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

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

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

(c) CONFORMING AMENDMENTS.—

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

(2) Section 454(23) (42 U.S.C. 654(23)) is amended, effective October 1, 1998, by striking "information as to any application fees for such services and".

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

(4) Section 466(e) (42 U.S.C. 666(e)) is amended by striking "or (6)".

#### SEC. 302. DISTRIBUTION OF PAYMENTS.

(a) DISTRIBUTIONS THROUGH STATE CHILD SUPPORT ENFORCEMENT AGENCY TO FORMER ASSISTANCE RECIPIENTS.—Section 454(5) (42 U.S.C. 654(5)) is amended—

(1) in subparagraph (A)—

(A) by inserting "except as otherwise specifically provided in section 464 or 466(a)(3)," after "is effective,"; and

(B) by striking "except that" and all that follows through the semicolon; and

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

(b) DISTRIBUTION TO A FAMILY CURRENTLY RECEIVING AFDC.—Section 457 (42 U.S.C. 657) is amended—

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

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

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

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

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

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

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

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month";

(B) in paragraph (4), by striking "or (B)" and all that follows and inserting "; then (B) from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and then (C) any remainder shall be paid to the family.".

(3) by inserting after subsection (a), as redesignated, the following new subsection:

"(b) ALTERNATIVE DISTRIBUTION IN CASE OF FAMILY RECEIVING AFDC.—In the case of a State electing the option under this subsection, amounts collected as described in subsection (a) shall be distributed as follows:

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

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

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

and shall be paid to the family without affecting its eligibility for assistance or decreasing any amount otherwise payable as assistance to such family during such month;

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

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to the State making the collection shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned, pursuant to part A, to any other State or States shall be paid to such other State or States and used to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing); and

"(5) fifth, any remainder shall be paid to the family.".

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

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

"(c) IN CASE OF FAMILY NOT RECEIVING AFDC.—Amounts collected by a State agency under this part during any month as sup-

port of a child who is not receiving assistance under part A (or of a parent or caretaker relative of such a child) shall (subject to the remaining provisions of this section) be distributed as follows:

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

"(2) second, from any remainder, amounts equal to arrearages of such support obligations for months during which such child did not receive assistance under part A shall be paid to the family;

"(3) third, from any remainder, amounts equal to arrearages of such support obligations assigned to the State making the collection pursuant to part A shall be retained and used by such State to pay any such arrearages (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing);

"(4) fourth, from any remainder, amounts equal to arrearages of such support obligations assigned to any other State pursuant to part A shall be paid to such other State or States, and used to pay such arrearages, in the order in which such arrearages accrued (with appropriate reimbursement of the Federal Government to the extent of its participation in the financing)."

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

(d) DISTRIBUTION TO A CHILD RECEIVING ASSISTANCE UNDER TITLE IV-E.—Section 457(d) (42 U.S.C. 657(d)) is amended, in the matter preceding paragraph (1), by striking "Notwithstanding the preceding provisions of this section, amounts" and inserting the following:

"(d) IN CASE OF A CHILD RECEIVING ASSISTANCE UNDER TITLE IV-E.—Amounts".

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

(1) under part D of title IV of the Social Security Act, establishing a uniform nationwide standard for allocation of child support collections from an obligor owing support to more than one family; and

(2) under part A of such title, establishing standards applicable to States electing the alternative formula under section 457(b) of such Act for distribution of collections on behalf of families receiving Aid to Families with Dependent Children, designed to minimize irregular monthly payments to such families.

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

(1) in paragraph (11), by striking "(11)" and inserting "(11)(A)"; and

(2) by redesignating paragraph (12) as subparagraph (B) of paragraph (11).

(g) MANDATORY CHILD SUPPORT PASS-THROUGH.—

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

(A) by striking "\$50" each place such term appears and inserting "\$50, or, if greater, \$50 adjusted by the CPI (as prescribed in section 406(i))"; and

(B) by striking the semicolon at the end and inserting "or, in lieu of each dollar amount specified in this clause, such greater amount as the State may choose (and provide for in its State plan)";

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

"(i) For purposes of this part, an amount is 'adjusted by the CPI' for any month in a calendar year by multiplying the amount involved by the ratio of—

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

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

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

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

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

“(12) provide for procedures to ensure that—

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

“(i) receive notice of all proceedings in which support obligations might be established or modified; and

“(ii) receive a copy of any order establishing or modifying a child support obligation, or (in the case of a petition for modification) a notice of determination that there should be no change in the amount of the child support award, within 14 days after issuance of such order or determination;

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

“(C)(i) individuals adversely affected by the establishment or modification of (or, in the case of a petition for modification, the determination that there should be no change in) a child support order shall be afforded not less than 30 days after the receipt of the order or determination to initiate proceedings to challenge such order or determination; and

“(ii) the State may not provide to any non-custodial parent of a child representation relating to the establishment or modification of an order for the payment of child support with respect to that child, unless the State makes provision for such representation outside the State agency.”

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

**SEC. 304. PRIVACY SAFEGUARDS.**

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

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

(2) by striking the period at the end of paragraph (24) and inserting “; and”; and

(3) by adding after paragraph (24) the following:

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

“(A) safeguards against unauthorized use or disclosure of information relating to proceedings or actions to establish paternity, or to establish or enforce support;

“(B) prohibitions on the release of information on the whereabouts of one party to another party against whom a protective order with respect to the former party has been entered; and

“(C) prohibitions on the release of information on the whereabouts of one party to another party if the State has reason to believe that the release of the information may result in physical or emotional harm to the former party.”

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

**Subtitle B—Program Administration and Funding**

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

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

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

“(A) for fiscal year 1997, 69 percent,

“(B) for fiscal year 1998, 72 percent, and

“(C) for fiscal year 1999 and succeeding fiscal years, 75 percent.”

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

(1) in subsection (a)(1), in the matter preceding subparagraph (A), by striking “From” and inserting “Subject to subsection (c), from”; and

(2) by inserting after subsection (b) the following new subsection:

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

**SEC. 312. PERFORMANCE-BASED INCENTIVES AND PENALTIES.**

(a) INCENTIVE ADJUSTMENTS TO FEDERAL MATCHING RATE.—Section 458 (42 U.S.C. 658) is amended to read as follows:

“INCENTIVE ADJUSTMENTS TO MATCHING RATE

“SEC. 458. (a) INCENTIVE ADJUSTMENT.—

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

“(2) STANDARDS.—

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

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

“(ii) the amounts of incentive adjustment that shall be awarded to States achieving specified accomplishment or improvement levels, which amounts shall be graduated, ranging up to—

“(I) 5 percentage points, in connection with Statewide paternity establishment; and

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

“(B) LIMITATION.—In setting performance standards pursuant to subparagraph (A)(i) and adjustment amounts pursuant to subparagraph (A)(ii), the Secretary shall ensure that the aggregate number of percentage point increases as incentive adjustments to all States do not exceed such aggregate increases as assumed by the Secretary in estimates of the cost of this section as of June 1995, unless the aggregate performance of all States exceeds the projected aggregate performance of all States in such cost estimates.

“(3) DETERMINATION OF INCENTIVE ADJUSTMENT.—The Secretary shall determine the amount (if any) of incentive adjustment due each State on the basis of the data submitted by the State pursuant to section 454(15)(B) concerning the levels of accomplishment (and rates of improvement) with respect to performance indicators specified by the Secretary pursuant to this section.

“(4) FISCAL YEAR SUBJECT TO INCENTIVE ADJUSTMENT.—The total percentage point increase determined pursuant to this section with respect to a State program in a fiscal year shall apply as an adjustment to the ap-

plicable percent under section 455(a)(2) for payments to such State for the succeeding fiscal year.

“(5) RECYCLING OF INCENTIVE ADJUSTMENT.—A State shall expend in the State program under this part all funds paid to the State by the Federal Government as a result of an incentive adjustment under this section.

“(b) MEANING OF TERMS.—For purposes of this section—

“(1) the term ‘Statewide paternity establishment percentage’ means, with respect to a fiscal year, the ratio (expressed as a percentage) of—

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

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

“(2) the term ‘overall performance in child support enforcement’ means a measure or measures of the effectiveness of the State agency in a fiscal year which takes into account factors including—

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

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

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

“(D) the cost-effectiveness of the State program, as determined in accordance with standards established by the Secretary in regulations.”

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

(1) by striking the period at the end of subparagraph (C)(ii) and inserting a comma; and

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

“increased by the incentive adjustment factor (if any) determined by the Secretary pursuant to section 458.”

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

(1) by striking “incentive payments” the first place it appears and inserting “incentive adjustments”; and

(2) by striking “any such incentive payments made to the State for such period” and inserting “any increases in Federal payments to the State resulting from such incentive adjustments”.

(d) CALCULATION OF IV-D PATERNITY ESTABLISHMENT PERCENTAGE.—(1) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is amended in the matter preceding subparagraph (A) by inserting “its overall performance in child support enforcement is satisfactory (as defined in section 458(b) and regulations of the Secretary), and” after “1994.”

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

(A) in subparagraph (A), in the matter preceding clause (i)—

(i) by striking “paternity establishment percentage” and inserting “IV-D paternity establishment percentage”; and

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

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

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

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

(E) in subparagraph (A)(iii)—

(i) by striking "during the fiscal year"; and

(ii) by striking "and" at the end; and  
(F) in the matter following subparagraph (A)—

(i) by striking "who were born out of wedlock during the immediately preceding fiscal year" and inserting "born out of wedlock";

(ii) by striking "such preceding fiscal year" both places it appears and inserting "the preceding fiscal year"; and

(iii) by striking "or (E)" the second place it appears.

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

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

(B) in subparagraph (A), as redesignated, by striking "the percentage of children born out-of-wedlock in the State" and inserting "the percentage of children in the State who are born out of wedlock or for whom support has not been established"; and

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

(i) by inserting "and overall performance in child support enforcement" after "paternity establishment percentages"; and

(ii) by inserting "and securing support" before the period.

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

(1) NEW REQUIREMENTS.—Section 455 (42 U.S.C. 655) is amended by inserting after subsection (b) the following:

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

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

"(ii) on the basis of an audit or audits of such State data conducted pursuant to section 452(a)(4)(C), that the State data submitted pursuant to section 454(15)(B) is incomplete or unreliable; and

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

"(i) the State failed to take sufficient corrective action to achieve the appropriate performance levels as described in subparagraph (A)(i) of the paragraph, or

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

the amounts otherwise payable to the State under this part for quarters following the end of such succeeding fiscal year, prior to quarters following the end of the first quarter throughout which the State program is in compliance with such performance requirement, shall be reduced by the percentage specified in paragraph (2).

"(2) The reductions required under paragraph (1) shall be—

"(A) not less than 6 nor more than 8 percent, or

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

"(C) not less than 12 nor more than 15 percent, if the finding is the third or a subsequent consecutive such finding.

"(3) For purposes of this subsection, section 402(a)(27), and section 452(a)(4), a State which is determined as a result of an audit to have submitted incomplete or unreliable data pursuant to section 454(15)(B), shall be determined to have submitted adequate data if the Secretary determines that the extent of the incompleteness or unreliability of the

data is of a technical nature which does not adversely affect the determination of the level of the State's performance."

(2) CONFORMING AMENDMENTS.—

(A) Section 403 (42 U.S.C. 603) is amended by striking subsection (h).

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

(C) Subsections (d)(3)(A), (g)(1), and (g)(3)(A) of section 452 (42 U.S.C. 652) are each amended by striking "403(h)" and inserting "455(c)".

(f) EFFECTIVE DATES.—

(1) INCENTIVE ADJUSTMENTS.—

(A) The amendments made by subsections (a), (b), and (c) shall become effective October 1, 1997, except to the extent provided in subparagraph (B).

(B) Section 458 of the Social Security Act, as in effect prior to the enactment of this section, shall be effective for purposes of incentive payments to States for fiscal years prior to fiscal year 1999.

(2) PENALTY REDUCTIONS.—

(A) The amendments made by subsection (d) shall become effective with respect to calendar quarters beginning on and after the date of enactment of this Act.

(B) The amendments made by subsection (e) shall become effective with respect to calendar quarters beginning on and after the date one year after the date of enactment of this Act.

### SEC. 313. FEDERAL AND STATE REVIEWS AND AUDITS.

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

(1) in paragraph (14), by striking "(14)" and insert "(14)(A)";

(2) by redesignating paragraph (15) as subparagraph (B) of paragraph (14); and

(3) by inserting after paragraph (14) the following new paragraph:

"(15) provide for—

"(A) a process for annual reviews of and reports to the Secretary on the State program under this part, which shall include such information as may be necessary to measure State compliance with Federal requirements for expedited procedures and timely case processing, using such standards and procedures as are required by the Secretary, under which the State agency will determine the extent to which such program is in conformity with applicable requirements with respect to the operation of State programs under this part (including the status of complaints filed under the procedure required under paragraph (12)(B)); and

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

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

"(4)(A) review data and calculations transmitted by State agencies pursuant to section 454(15)(B) on State program accomplishments with respect to performance indicators for purposes of section 452(g) and 458, and determine the amount (if any) of penalty reductions pursuant to section 455(c) to be applied to the State;

"(B) review annual reports by State agencies pursuant to section 454(15)(A) on State program conformity with Federal requirements; evaluate any elements of a State program in which significant deficiencies are indicated by such report on the status of com-

plaints under the State procedure under section 454(12)(B); and, as appropriate, provide to the State agency comments, recommendations for additional or alternative corrective actions, and technical assistance; and

"(C) conduct audits, in accordance with the government auditing standards of the United States Comptroller General—

"(i) at least once every 3 years (or more frequently, in the case of a State which fails to meet requirements of this part, or of regulations implementing such requirements, concerning performance standards and reliability of program data) to assess the completeness, reliability, and security of the data, and the accuracy of the reporting systems, used for the calculations of performance indicators specified in subsection (g) and section 458;

"(ii) of the adequacy of financial management of the State program, including assessments of—

"(I) whether Federal and other funds made available to carry out the State program under this part are being appropriately expended, and are properly and fully accounted for; and

"(II) whether collections and disbursements of support payments and program income are carried out correctly and are properly and fully accounted for; and

"(iii) for such other purposes as the Secretary may find necessary";

(c) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to calendar quarters beginning on or after the date one year after enactment of this section.

### SEC. 314. REQUIRED REPORTING PROCEDURES.

(a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C. 652(a)(5)) is amended by inserting "and establish procedures to be followed by States for collecting and reporting information required to be provided under this part, and establish uniform definitions (including those necessary to enable the measurement of State compliance with the requirements of this part relating to expedited processes and timely case processing) to be applied in following such procedures" before the semicolon.

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

(1) by striking "and" at the end of paragraph (24);

(2) by striking the period at the end of paragraph (25) and inserting "; and"; and

(3) by adding after paragraph (25) the following:

"(26) provide that the State shall use the definitions established under section 452(a)(5) in collecting and reporting information as required under this part."

### SEC. 315. AUTOMATED DATA PROCESSING REQUIREMENTS.

(a) REVISED REQUIREMENTS.—

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

(A) by striking "at the option of the State,";

(B) by inserting "and operation by the State agency" after "for the establishment";

(C) by inserting "meeting the requirements of section 454A" after "information retrieval system";

(D) by striking "in the State and localities thereof, so as (A)" and inserting "so as";

(E) by striking "(i)"; and

(F) by striking "(including)" and all that follows and inserting a semicolon.

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

"AUTOMATED DATA PROCESSING

"SEC. 454A. (a) IN GENERAL.—In order to meet the requirements of this section, for purposes of the requirement of section

454(16), a State agency shall have in operation a single statewide automated data processing and information retrieval system which has the capability to perform the tasks specified in this section, and perform such tasks with the frequency and in the manner specified in this part or in regulations or guidelines of the Secretary.

“(b) PROGRAM MANAGEMENT.—The automated system required under this section shall perform such functions as the Secretary may specify relating to management of the program under this part, including—

“(1) controlling and accounting for use of Federal, State, and local funds to carry out such program; and

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

“(c) CALCULATION OF PERFORMANCE INDICATORS.—In order to enable the Secretary to determine the incentive and penalty adjustments required by sections 452(g) and 458, the State agency shall—

“(1) use the automated system—

“(A) to maintain the requisite data on State performance with report to paternity establishment and child support enforcement in the State; and

“(B) to calculate the IV-D paternity establishment percentage and overall performance in child support enforcement for the State for each fiscal year; and

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

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

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

“(A) permit access to and use of data only to the extent necessary to carry out program responsibilities;

“(B) specify the data which may be used for particular program purposes, and the personnel permitted access to such data; and

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

“(2) SYSTEMS CONTROLS.—Systems controls (such as passwords or blocking of fields) to ensure strict adherence to the policies specified under paragraph (1).

“(3) MONITORING OF ACCESS.—Routine monitoring of access to and use of the automated system, through methods such as audit trails and feedback mechanism, to guard against and promptly identify unauthorized access or use.

“(4) TRAINING AND INFORMATION.—The State agency shall have in effect procedures to ensure that all personnel (including State and local agency staff and contractors) who may have access to or be required to use sensitive or confidential program data are fully informed of applicable requirements and penalties, and are adequately trained in security procedures.

“(5) PENALTIES.—The State agency shall have in effect administrative penalties (up to and including dismissal from employment) for unauthorized access to, or disclosure or use of, confidential data.”

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

“(j) The Secretary shall prescribe final regulations for implementation of the require-

ments of section 454A not later than 2 years after the date of enactment of this subsection.”

(4) IMPLEMENTATION TIMETABLE.—Section 454(24) (42 U.S.C. 654(24)), as amended by sections 304(a)(2) and 314(b)(1) of this Act, is amended to read as follows:

“(24) provide that the State will have in effect an automated data processing and information retrieval system—

“(A) by October 1, 1995, meeting all requirements of this part which were enacted on or before the date of enactment of the Family Support Act of 1988; and

“(B) by October 1, 1999, meeting all requirements of this part enacted on or before the date of enactment of this Act.

(but this provision shall not be construed to alter earlier deadlines specified for elements of such system), except that such deadline shall be extended by 1 day for each day (if any) by which the Secretary fails to meet the deadline imposed by section 452(j);”

(b) SPECIAL FEDERAL MATCHING RATE FOR DEVELOPMENT COSTS OF AUTOMATED SYSTEMS.—Section 455(a) (42 U.S.C. 655(a)) is amended—

(1) in paragraph (1)(B)—

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

(B) by striking “so much of”; and

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

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

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

“(B)(i) The Secretary shall pay to each State, for each quarter in fiscal years 1997 through 2001, the percentage specified in clause (ii) of so much of State expenditures described in subparagraph (1)(B) as the Secretary finds are for a system meeting the requirements specified in section 454(16) and 454A, subject to clause (iii).

“(ii) The percentage specified in this clause, for purposes of clause (i), is the higher of—

“(I) 80 percent, or

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

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

(d) ADDITIONAL PROVISIONS.—For additional provisions of section 454A, as added by subsection (a) of this section, see the amendments made by sections 21, 322(c), and 333(d) of this Act.

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

(a) REPORTING TO SECRETARY.—Section 452(a) (42 U.S.C. 652(a)) is amended in the matter preceding paragraph (1) by striking “directly”.

(b) STAFFING STUDIES.—

(1) SCOPE.—The Secretary of Health and Human Services shall, directly or by contract, conduct studies of the staffing of each State child support enforcement program under part D of title IV of the Social Security Act. Such studies shall include a review of the staffing needs created by requirements for automated data processing, maintenance of a central case registry and centralized collections of child support, and of changes in these needs resulting from changes in such requirements. Such studies shall examine and report on effective staffing practices used by the States and on recommended staffing procedures.

(2) FREQUENCY OF STUDIES.—The Secretary shall complete the first staffing study required under paragraph (1) by October 1, 1997, and may conduct additional studies subsequently at appropriate intervals.

(3) REPORT TO THE CONGRESS.—The Secretary shall submit a report to the Congress stating the findings and conclusions of each study conducted under this subsection.

**SEC. 317. FUNDING FOR SECRETARIAL ASSISTANCE TO STATE PROGRAMS.**

Section 452 (42 U.S.C. 652), as amended by section 115(a)(3) of this Act, is amended by adding at the end the following new subsection:

“(k) FUNDING FOR FEDERAL ACTIVITIES ASSISTING STATE PROGRAMS.—(1) There shall be available to the Secretary, from amounts appropriated for fiscal year 1996 and each succeeding fiscal year for payments to States under this part, the amount specified in paragraph (2) for the costs to the Secretary for—

“(A) information dissemination and technical assistance to States, training of State and Federal staff, staffing studies, and related activities needed to improve programs (including technical assistance concerning State automated systems);

“(B) research, demonstration, and special projects of regional or national significance relating to the operation of State programs under this part; and

“(C) operation of the Federal Parent Locator Service under section 453, to the extent such costs are not recovered through user fees.

“(2) The amount specified in the paragraph for a fiscal year is the amount equal to a percentage of the reduction in Federal payments to States under part A on account of child support (including arrearages) collected in the preceding fiscal year on behalf of children receiving aid under such part A in such preceding fiscal year (as determined on the basis of the most recent reliable data available to the Secretary as of the end of the third calendar quarter following the end of such preceding fiscal year), equal to—

“(A) 1 percent, for the activities specified in subparagraphs (A) and (B) of paragraph (1); and

“(B) 2 percent, for the activities specified in subparagraph (C) of paragraph (1).”

**SEC. 318. REPORTS AND DATA COLLECTION BY THE SECRETARY.**

(a) ANNUAL REPORT TO CONGRESS.—(1) Section 452(a)(10)(A) (42 U.S.C. 652(a)(10)(A)) is amended—

(A) by striking “this part;” and inserting “this part, including—”; and

(B) by adding at the end the following indented clauses:

“(i) the total amount of child support payments collected as a result of services furnished during such fiscal year to individuals receiving services under this part;

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

“(iii) the number of cases involving families—

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

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

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

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

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

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

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



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

(C) in clause (iii), by striking "described in" and all that follows and inserting "in which support was collected during the fiscal year";

(D) by striking clause (iv); and

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

"(iv) the total amount of support collected during such fiscal year and distributed as current support;

"(v) the total amount of support collected during such fiscal year and distributed as arrearages;

"(vi) the total amount of support due and unpaid for all fiscal years; and".

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

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

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

(1) by striking subsections (a) and (b) and inserting the following:

"(a) The Secretary shall collect and maintain, on a fiscal year basis, up-to-date statistics, by State, with respect to services to establish paternity and services to establish child support obligations, the data specified in subsection (b), separately stated, in the case of each such service, with respect to—

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

"(2) families not receiving such aid.

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

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

"(2) the number of such cases in which the service has been provided."; and

(2) in subsection (c), by striking "(a)(2)" and inserting "(b)(2)".

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

### Subtitle C—Locate and Case Tracking

#### SEC. 321. CENTRAL STATE AND CASE REGISTRY.

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

"(e) CENTRAL CASE REGISTRY.—

"(1) IN GENERAL.—The automated system required under this section shall perform the functions, in accordance with the provisions of this subsection, of a single central registry containing records with respect to each case in which services are being provided by the State agency (including, on and after October 1, 1998, each order specified in section 466(a)(12)), using such standardized data elements (such as names, social security numbers or other uniform identification numbers, dates of birth, and case identification numbers), and containing such other information (such as information on case status) as the Secretary may require.

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

"(A) the amount of monthly (or other periodic) support owed under the support order, and other amounts due or overdue (including arrears, interest or late payment penalties, and fees);

"(B) the date on which or circumstances under which the support obligation will terminate under such order;

"(C) all child support and related amounts collected (including such amounts as fees,

late payment penalties, and interest on arrearages);

"(D) the distribution of such amounts collected; and

"(E) the birth date of the child for whom the child support order is entered.

"(3) UPDATING AND MONITORING.—The State agency shall promptly establish and maintain, and regularly monitor, case records in the registry required by this subsection, on the basis of—

"(A) information on administrative actions and administrative and judicial proceedings and orders relating to paternity and support;

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

"(C) information on support collections and distributions; and

"(D) any other relevant information.

"(f) DATA MATCHES AND OTHER DISCLOSURES OF INFORMATION.—The automated system required under this section shall have the capacity, and be used by the State agency, to extract data at such times, and in such standardized format or formats, as may be required by the Secretary, and to share and match data with, and receive data from, other data bases and data matching services, in order to obtain (or provide) information necessary to enable the State agency (or Secretary or other State or Federal agencies) to carry out responsibilities under this part. Data matching activities of the State agency shall include at least the following:

"(1) DATA BANK OF CHILD SUPPORT ORDERS.—Furnish to the Data Bank of Child Support Orders established under section 453(h) (and update as necessary, with information including notice of expiration of orders) minimal information (to be specified by the Secretary) on each child support case in the central case registry.

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

"(3) AFDC AND MEDICAID AGENCIES.—Exchange data with State agencies (of the State and of other States) administering the programs under part A and title XIX, as necessary for the performance of State agency responsibilities under this part and under such programs.

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

#### SEC. 322. CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

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

(1) by striking "and" at the end of paragraph (25);

(2) by striking the period at the end of paragraph (26) and inserting "; and"; and

(3) by adding after paragraph (26) the following new paragraph:

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

"(A) will operate a centralized, automated unit for the collection and disbursement of child support under orders being enforced under this part, in accordance with section 454B; and

"(B) will have sufficient State staff (consisting of State employees), and (at State option) contractors reporting directly to the State agency to monitor and enforce support collections through such centralized unit, including carrying out the automated data processing responsibilities specified in section 454A(g) and to impose, as appropriate in particular cases, the administrative enforce-

ment remedies specified in section 466(c)(1)."

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

"CENTRALIZED COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS

"SEC. 454B. (a) IN GENERAL.—In order to meet the requirement of section 454(27), the State agency must operate a single centralized, automated unit for the collection and disbursement of support payments, coordinated with the automated data system required under section 454A, in accordance with the provisions of this section, which shall be—

"(1) operated directly by the State agency (or by two or more State agencies under a regional cooperative agreement), or by a single contractor responsible directly to the State agency; and

"(2) used for the collection and disbursement (including interstate collection and disbursement) of payments under support orders in all cases being enforced by the State pursuant to section 454(4).

"(b) REQUIRED PROCEDURES.—The centralized collections unit shall use automated procedures, electronic processes, and computer-driven technology to the maximum extent feasible, efficient, and economical, for the collection and disbursement of support payments, including procedures—

"(1) for receipt of payments from parents, employers, and other States, and for disbursements to custodial parents and other obligees, the State agency, and the State agencies of other States;

"(2) for accurate identification of payments;

"(3) to ensure prompt disbursement of the custodial parent's share of any payment; and

"(4) to furnish to either parent, upon request, timely information on the current status of support payments."

(c) USE OF AUTOMATED SYSTEM.—Section 454A, as added by section 315(a)(2) of this Act and as amended by section 321 of this Act, is amended by adding at the end the following new subsection:

"(g) CENTRALIZED COLLECTION AND DISTRIBUTION OF SUPPORT PAYMENTS.—The automated system required under this section shall be used, to the maximum extent feasible, to assist and facilitate collections and disbursement of support payments through the centralized collections unit operated pursuant to section 454B, through the performance of functions including at a minimum—

"(1) generation of orders and notices to employers (and other debtors) for the withholding of wages (and other income)—

"(A) within two working days after receipt (from the directory of New Hires established under section 453(i) or any other source) of notice of and the income source subject to such withholding; and

"(B) using uniform formats directed by the Secretary;

"(2) ongoing monitoring to promptly identify failures to make timely payment; and

"(3) automatic use of enforcement mechanisms (including mechanisms authorized pursuant to section 466(c)) where payments are not timely made."

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

#### SEC. 323. AMENDMENTS CONCERNING INCOME WITHHOLDING.

(a) MANDATORY INCOME WITHHOLDING.—(1) Section 466(a)(1) (42 U.S.C. 666(a)(1)) is amended to read as follows:

"(1) INCOME WITHHOLDING.—

(A) UNDER ORDERS ENFORCED UNDER THE STATE PLAN.—Procedures described in sub-

section (b) for the withholding from income of amounts payable as support in cases subject to enforcement under the State plan.

“(B) UNDER CERTAIN ORDERS PREDATING CHANGE IN REQUIREMENT.—Procedures under which all child support orders issued (or modified) before October 1, 1996, and which are not otherwise subject to withholding under subsection (b), shall become subject to withholding from wages as provided in subsection (b) if arrearages occur, without the need for a judicial or administrative hearing.”.

(2) Section 466(a)(8) (42 U.S.C. 666(a)(8)) is repealed.

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

(A) in the matter preceding paragraph (1), by striking “subsection (a)(1)” and inserting “subsection (a)(1)(A)”;

(B) in paragraph (5), by striking all that follows “administered by” and inserting “the State through the centralized collections unit established pursuant to section 454B, in accordance with the requirements of such section 454B.”;

(C) in paragraph (6)(A)(i)—

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

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

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

(E) in paragraph (6)(D)—

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

(ii) by relocating subparagraph (A), as designated, as an indented subparagraph after and below the introductory matter;

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

(iv) by adding after and below subparagraph (A) the following new subparagraph:

“(B) fails to withhold support from wages, or to pay such amounts to the State centralized collections unit in accordance with this subsection.”.

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

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

#### SEC. 324. LOCATOR INFORMATION FROM INTERSTATE NETWORKS.

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

“(8) LOCATOR INFORMATION FROM INTERSTATE NETWORKS.—Procedures ensuring that the State will neither provide funding for, nor use for any purpose (including any purpose unrelated to the purposes of this part), any automated interstate network or system used to locate individuals—

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

“(B) providing information for law enforcement purposes (where child support enforcement agencies are otherwise allowed access by State and Federal law),

unless all Federal and State agencies administering programs under this part (including the entities established under section 453) have access to information in such system or network to the same extent as any other user of such system or network.”.

#### SEC. 325. EXPANDED FEDERAL PARENT LOCATOR SERVICE.

(a) EXPANDED AUTHORITY TO LOCATE INDIVIDUALS AND ASSETS.—Section 453 (42 U.S.C. 653) is amended—

(1) in subsection (a), by striking all that follows “subsection (c)” and inserting the following:

“, for the purpose of establishing parentage, establishing, setting the amount of, modifying, or enforcing child support obligations—

“(1) information on, or facilitating the discovery of, the location of any individual—

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

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

“(C) to whom such an obligation is owed, including such individual’s social security number (or numbers), most recent residential address, and the name, address, and employer identification number of such individual’s employer; and

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

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

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking “social security” and all that follows through “absent parent” and inserting “information specified in subsection (a)”;

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

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

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

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

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

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

(B) by striking “employment, to a governmental agency” and inserting “employment, in the case of any other governmental agency”.

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

“(g) The Secretary is authorized to reimburse costs to State agencies and consumer credit reporting agencies the costs incurred by such entities in furnishing information requested by the Secretary pursuant to this section in an amount which the Secretary determines to be reasonable payment for the data exchange (which amount shall not include payment for the costs of obtaining, compiling, or maintaining the data).”.

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

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

(e) TECHNICAL AMENDMENTS.—

(1) Sections 452(a)(9), 453(a), 453(b), 463(a), and 463(e) (42 U.S.C. 652(a)(9), 653(a), 653(b), 663(a), and 663(e)) are each amended by inserting “Federal” before “Parent” each place it appears.

(2) Section 453 (42 U.S.C. 653) is amended in the heading by adding “FEDERAL” before “PARENT”.

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

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

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

“(2) CASE INFORMATION.—The information referred to in paragraph (1), as specified by the Secretary, shall include sufficient information (including names, social security numbers or other uniform identification numbers, and State case identification numbers) to identify the individuals who owe or are owed support (or with respect to or on behalf of whom support obligations are sought to be established), and the State or States which have established or modified, or are enforcing or seeking to establish, such an order.

“(i) DIRECTORY OF NEW HIRES.—

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

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

“(B) information supplied by State agencies administering State unemployment compensation laws, in accordance with paragraph (3).

“(2) EMPLOYER INFORMATION.—

“(A) INFORMATION REQUIRED.—Subject to subparagraph (D), each employer shall furnish to the Secretary, for inclusion in the directory established under this subsection, not later than 10 days after the date (on or after October 1, 1998) on which the employer hires a new employee (as defined in subparagraph (C)), a report containing the name, date of birth, and social security number of such employee, and the employer identification number of the employer.

“(B) REPORTING METHOD AND FORMAT.—The Secretary shall provide for transmission of the reports required under subparagraph (A) using formats and methods which minimize the burden on employers, which shall include—

“(i) automated or electronic transmission of such reports;

“(ii) transmission by regular mail; and

“(iii) transmission of a copy of the form required for purposes of compliance with section 3402 of the Internal Revenue Code of 1986.

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

“(D) PAPERWORK REDUCTION REQUIREMENT.—As required by the information resources management policies published by the Director of the Office of Management and Budget pursuant to section 3504(b)(1) of title 44, United States Code, the Secretary, in order to minimize the cost and reporting burden on employers, shall not require reporting pursuant to this paragraph if an alternative reporting mechanism can be developed that either relies on existing Federal or State reporting or enables the Secretary to collect the needed information in a more cost-effective and equally expeditious manner, taking into account the reporting costs on employers.

“(E) CIVIL MONEY PENALTY ON NON-COMPLYING EMPLOYERS.—(i) Any employer that fails to make a timely report in accordance with this paragraph with respect to an individual shall be subject to a civil money penalty, for each calendar year in which the failure occurs, of the lesser of \$500 or 1 percent of the wages or other compensation paid by such employer to such individual during such calendar year.

“(ii) Subject to clause (iii), the provisions of section 1128A (other than subsections (a) and (b) thereof) shall apply to a civil money penalty under clause (i) in the same manner as they apply to a civil money penalty or proceeding under section 1128A(a).

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

“(3) EMPLOYMENT SECURITY INFORMATION.—

“(A) REPORTING REQUIREMENT.—Each State agency administering a State unemployment compensation law approved by the Secretary of Labor under the Federal Unemployment Tax Act shall furnish to the Secretary of Health and Human Services extracts of the reports to the Secretary of Labor concerning the wages and unemployment compensation paid to individuals required under section 303(a)(6), in accordance with subparagraph (B).

“(B) MANNER OF COMPLIANCE.—The extracts required under subparagraph (A) shall be furnished to the Secretary of Health and Human Services on a quarterly basis, with respect to calendar quarters beginning on and after October 1, 1996, by such dates, in such format, and containing such information as required by that Secretary in regulations.

“(j) DATA MATCHES AND OTHER DISCLOSURES.—

“(1) VERIFICATION BY SOCIAL SECURITY ADMINISTRATION.—(A) The Secretary shall transmit data on individuals and employers maintained under this section to the Social Security Administration to the extent necessary for verification in accordance with subparagraph (B).

“(B) The Social Security Administration shall verify the accuracy of, correct or supply to the extent necessary and feasible, and report to the Secretary, the following information in data supplied by the Secretary pursuant to subparagraph (A):

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

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

“(2) CHILD SUPPORT LOCATOR MATCHES.—For the purpose of locating individuals for purposes of paternity establishment and establishment and enforcement of child support, the Secretary shall—

“(A) match data in the directory of New Hires against the child support order ab-

stracts in the Data Bank of Child Support Orders not less often than every 2 working days; and

“(B) report information obtained from such a match to concerned State agencies operating programs under this part not later than 2 working days after such match.

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

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

“(B) disclose data in such registries to such State agencies,

to the extent, and with the frequency, that the Secretary determines to be effective in assisting such States to carry out their responsibilities under such programs.

“(k) FEES.—

“(1) FOR SSA VERIFICATION.—The Secretary shall reimburse the Commissioner of Social Security, at a rate negotiated between the Secretary and the Commissioner, the costs incurred by the Commissioner in performing the verification services specified in subsection (j).

“(2) FOR INFORMATION FROM SESAS.—The Secretary shall reimburse costs incurred by State employment security agencies in furnishing data as required by subsection (j)(3), at rates which the Secretary determines to be reasonable (which rates shall not include payment for the costs of obtaining, compiling, or maintaining such data).

“(3) FOR INFORMATION FURNISHED TO STATE AND FEDERAL AGENCIES.—State and Federal agencies receiving data or information from the Secretary pursuant to this section shall reimburse the costs incurred by the Secretary in furnishing such data or information, at rates which the Secretary determines to be reasonable (which rates shall include payment for the costs of obtaining, verifying, maintaining, and matching such data or information).

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

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

“(n) INFORMATION INTEGRITY AND SECURITY.—The Secretary shall establish and implement safeguards with respect to the entities established under this section designed to—

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

“(2) restrict access to confidential information in the Federal Parent Locator Service to authorized persons, and restrict use of such information to authorized purposes.

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

(g) CONFORMING AMENDMENTS.—

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

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

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

(A) by striking “Secretary of Health, Education, and Welfare” each place such term appears and inserting “Secretary of Health and Human Services”; and

(B) in subparagraph (B), by striking “such information” and all that follows and inserting “information furnished under subparagraph (A) or (B) is used only for the purposes authorized under such subparagraph;”;

(C) by striking “and” at the end of subparagraph (A);

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

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

“(B) wage and unemployment compensation information contained in the records of such agency shall be furnished to the Secretary of Health and Human Services (in accordance with regulations promulgated by such Secretary) as necessary for the purposes of the directory of New Hires established under section 453(i) of the Social Security Act, and”

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

(A) by striking “and” at the end of paragraph (8);

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

(C) by adding after paragraph (9) the following new paragraph:

“(10) The making of quarterly electronic reports, at such dates, in such format, and containing such information, as required by the Secretary of Health and Human Services under section 453(i)(3), and compliance with such provisions as such Secretary may find necessary to ensure the correctness and verification of such reports.”

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

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

“(13) SOCIAL SECURITY NUMBERS REQUIRED.—Procedures requiring the recording of social security numbers—

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

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

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

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

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

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

“(14) INTERSTATE ENFORCEMENT.—

“(A) ADOPTION OF UIFSA.—Procedures under which the State adopts in its entirety (with the modifications and additions specified in this paragraph) not later than January 1, 1997, and uses on and after such date, the Uniform Interstate Family Support Act, as approved by the National Conference of Commissioners on Uniform State Laws in August, 1992.

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

“(i) involving an order established or modified in one State and for which a subsequent modification is sought in another State; or

“(ii) in which interstate activity is required to enforce an order.

“(C) JURISDICTION TO MODIFY ORDERS.—The State law adopted pursuant to subparagraph (A) of this paragraph shall contain the following provision in lieu of section 611(a)(1) of the Uniform Interstate Family Support Act described in such subparagraph (A):

“(1) the following requirements are met:

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

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

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

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

“(D) SERVICE OF PROCESS.—The State law adopted pursuant to subparagraph (A) shall recognize as valid, for purposes of any proceeding subject to such State law, service of process upon persons in the State (and proof of such service) by any means acceptable in another State which is the initiating or responding State in such proceeding.

“(E) COOPERATION BY EMPLOYERS.—The State law adopted pursuant to subparagraph (A) shall provide for the use of procedures (including sanctions for noncompliance) under which all entities in the State (including for-profit, nonprofit, and governmental employers) are required to provide promptly, in response to a request by the State agency of that or any other State administering a program under this part, information on the employment, compensation, and benefits of any individual employed by such entity as an employee or contractor.”.

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

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

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

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

“‘child’s home State’ means the State in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the State in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month period.”;

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

(4) in subsection (c)(1), by inserting “and subsections (e), (f), and (g)” after “located”;

(5) in subsection (d)—

(A) by inserting “individual” before “contestant”; and

(B) by striking “subsection (e)” and inserting “subsections (e) and (f)”;

(6) in subsection (e), by striking “make a modification of a child support order with respect to a child that is made” and inserting “modify a child support order issued”;

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

(8) in subsection (e)(2)—

(A) by inserting “individual” before “contestant” each place such term appears; and

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

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

(10) by inserting after subsection (e) the following:

“(f) RECOGNITION OF CHILD SUPPORT ORDERS.—If one or more child support orders

have been issued in this or another State with regard to an obligor and a child, a court shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction and enforcement:

“(1) If only one court has issued a child support order, the order of that court must be recognized.

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

“(3) If two or more courts have issued child support orders for the same obligor and child, and only one of the courts would have continuing, exclusive jurisdiction under this section, an order issued by a court in the current home State of the child must be recognized, but if an order has not been issued in the current home State of the child, the order most recently issued must be recognized.

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

“(5) The court that has issued an order recognized under this subsection is the court having continuing, exclusive jurisdiction.”;

(1) in subsection (g) (as so redesignated)—

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

(B) by striking “subsection (e)” and inserting “subsections (e) and (f)”;

(2) in subsection (h) (as so redesignated)—

(A) in paragraph (2), by inserting “including the duration of current payments and other obligations of support” before the comma; and

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

(3) by adding at the end the following:

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

**SEC. 333. STATE LAWS PROVIDING EXPEDITED PROCEDURES.**

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

(1) in subsection (a)(2), in the first sentence, to read as follows: “Expedited administrative and judicial procedures (including the procedures specified in subsection (c)) for establishing paternity and for establishing, modifying, and enforcing support obligations.”; and

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

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

“(1) ADMINISTRATIVE ACTION BY STATE AGENCY.—Procedures which give the State agency the authority (and recognize and enforce the authority of State agencies of other States), without the necessity of obtaining an order from any other judicial or administrative tribunal (but subject to due process safeguards, including (as appropriate) requirements for notice, opportunity to contest the action, and opportunity for an appeal on the record to an independent administrative or judicial tribunal), to take the following actions relating to establishment or enforcement of orders:

“(A) GENETIC TESTING.—To order genetic testing for the purpose of paternity establishment as provided in section 466(a)(5).

“(B) DEFAULT ORDERS.—To enter a default order, upon a showing of service of process and any additional showing required by State law—

“(i) establishing paternity, in the case of any putative father who refuses to submit to genetic testing; and

“(ii) establishing or modifying a support obligation, in the case of a parent (or other obligor or obligee) who fails to respond to notice to appear at a proceeding for such purpose.

“(C) SUBPOENAS.—To subpoena any financial or other information needed to establish, modify, or enforce an order, and to sanction failure to respond to any such subpoena.

“(D) ACCESS TO PERSONAL AND FINANCIAL INFORMATION.—To obtain access, subject to safeguards on privacy and information security, to the following records (including automated access, in the case of records maintained in automated data bases):

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

“(I) vital statistics (including records of marriage, birth, and divorce);

“(II) State and local tax and revenue records (including information on residence address, employer, income and assets);

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

“(IV) records of occupational and professional licenses, and records concerning the ownership and control of corporations, partnerships, and other business entities;

“(V) employment security records;

“(VI) records of agencies administering public assistance programs;

“(VII) records of the motor vehicle department; and

“(VIII) corrections records; and

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

“(I) customer records of public utilities and cable television companies; and

“(II) information (including information on assets and liabilities) on individuals who owe or are owed support (or against or with respect to whom a support obligation is sought) held by financial institutions (subject to limitations on liability of such entities arising from affording such access).

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

“(F) CHANGE IN PAYEE.—(In cases where support is subject to an assignment under section 402(a)(26), 471(a)(17), or 1912, or to a requirement to pay through the centralized collections unit under section 454B) upon providing notice to obligor and obligee, to direct the obligor or other payor to change the payee to the appropriate government entity.

“(G) SECURE ASSETS TO SATISFY ARREARAGES.—For the purpose of securing overdue support—

“(i) to intercept and seize any periodic or lump-sum payment to the obligor by or through a State or local government agency, including—

“(I) unemployment compensation, workers’ compensation, and other benefits;

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

“(III) lottery winnings;

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

“(iii) to attach public and private retirement funds in appropriate cases, as determined by the Secretary; and

“(iv) to impose liens in accordance with paragraph (a)(4) and, in appropriate cases, to force sale of property and distribution of proceeds.

“(H) INCREASE MONTHLY PAYMENTS.—For the purpose of securing overdue support, to

increase the amount of monthly support payments to include amounts for arrearages (subject to such conditions or restrictions as the State may provide).

“(I) SUSPENSION OF DRIVERS’ LICENSES.—To suspend drivers’ licenses of individuals owing past-due support, in accordance with subsection (a)(16).

“(2) SUBSTANTIVE AND PROCEDURAL RULES.—The expedited procedures required under subsection (a)(2) shall include the following rules and authority, applicable with respect to all proceedings to establish paternity or to establish, modify, or enforce support orders:

“(A) LOCATOR INFORMATION; PRESUMPTIONS CONCERNING NOTICE.—Procedures under which—

“(i) the parties to any paternity or child support proceedings are required (subject to privacy safeguards) to file with the tribunal before entry of an order, and to update as appropriate, information on location and identity (including Social Security number, residential and mailing addresses, telephone number, driver’s license number, and name, address, and telephone number of employer); and

“(ii) in any subsequent child support enforcement action between the same parties, the tribunal shall be authorized, upon sufficient showing that diligent effort has been made to ascertain such party’s current location, to deem due process requirements for notice and service of process to be met, with respect to such party, by delivery to the most recent residential or employer address so filed pursuant to clause (i).

“(B) STATEWIDE JURISDICTION.—Procedures under which—

“(i) the State agency and any administrative or judicial tribunal with authority to hear child support and paternity cases exerts statewide jurisdiction over the parties, and orders issued in such cases have statewide effect; and

“(ii) (in the case of a State in which orders in such cases are issued by local jurisdictions) a case may be transferred between jurisdictions in the State without need for any additional filing by the petitioner, or service of process upon the respondent, to retain jurisdiction over the parties.”.

(C) EXCEPTIONS FROM STATE LAW REQUIREMENTS.—Section 466(d) (42 U.S.C. 666(d)) is amended—

(1) by striking “(d) If” and inserting the following:

“(d) EXEMPTIONS FROM REQUIREMENTS.—

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

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

“(2) NONEXEMPT REQUIREMENTS.—The Secretary shall not grant an exemption from the requirements of—

“(A) subsection (a)(5) (concerning procedures for paternity establishment);

“(B) subsection (a)(10) (concerning modification of orders);

“(C) subsection (a)(12) (concerning recording of orders in the central State case registry);

“(D) subsection (a)(13) (concerning recording of Social Security numbers);

“(E) subsection (a)(14) (concerning interstate enforcement); or

“(F) subsection (c) (concerning expedited procedures), other than paragraph (1)(A) thereof (concerning establishment or modification of support amount).”.

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

“(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—The automated system required

under this section shall be used, to the maximum extent feasible, to implement any expedited administrative procedures required under section 466(c).”.

#### Subtitle E—Paternity Establishment

#### SEC. 341. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

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

(1) by striking “(5)” and inserting the following:

“(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—”;

(2) in subparagraph (A)—

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

“(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE EIGHTEEN.—(i)”;

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

(3) in subparagraph (B)—

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

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

(B) in clause (i), as redesignated, by inserting before the period “, where such request is supported by a sworn statement (I) by such party alleging paternity setting forth facts establishing a reasonable possibility of the requisite sexual contact of the parties, or (II) by such party denying paternity setting forth facts establishing a reasonable possibility of the nonexistence of sexual contact of the parties;”;

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

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

“(I) to pay costs of such tests, subject to recoupment (where the State so elects) from the punitive father if paternity is established; and

“(II) to obtain additional testing in any case where an original test result is disputed, upon request and advance payment by the disputing party.”;

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

“(C) PATERNITY ACKNOWLEDGMENT.—(i) Procedures for a simple civil process for voluntarily acknowledging paternity under which the State must provide that, before a mother and a putative father can sign an acknowledgment of paternity, the putative father and the mother must be given notice, orally, in writing, and in a language that each can understand, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

“(ii) Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child.

“(iii) Such procedures must require the State agency responsible for maintaining birth records to offer voluntary paternity establishment services.

“(iv) The Secretary shall prescribe regulations governing voluntary paternity establishment services offered by hospitals and birth record agencies. The Secretary shall prescribe regulations specifying the types of other entities that may offer voluntary paternity establishment services, and governing the provision of such services, which shall include a requirement that such an entity must use the same notice provisions used by, the same materials used by, provide the personnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as, voluntary paternity establish-

ment programs of hospitals and birth record agencies.

“(v) Such procedures must require the State and those required to establish paternity to use only the affidavit developed under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State.

“(D) STATUS OF SIGNED PATERNITY KNOWLEDGMENT.—(i) Procedures under which a signed acknowledgment of paternity is considered a legal finding of paternity, subject to the right of any signatory to rescind the acknowledgment within 60 days.

“(ii)(I) Procedures under which, after the 60-day period referred to in clause (i), a signed acknowledgment of paternity may be challenged in court only on the basis of fraud, duress, or material mistake of fact, with the burden of proof upon the challenger, and under which the legal responsibilities (including child support obligations) of any signatory arising from the acknowledgment may not be suspended during the challenge, except for good cause shown.

“(II) Procedures under which, after the 60-day period referred to in clause (i), a minor who signs an acknowledgment of paternity other than in the presence of a parent or court-appointed guardian ad litem may rescind the acknowledgment in a judicial or administrative proceeding, until the earlier of—

“(aa) attaining the age of majority; or

“(bb) the date of the first judicial or administrative proceeding brought (after the signing) to establish a child support obligation, visitation rights, or custody rights with respect to the child whose paternity is the subject of the acknowledgment, and at which the minor is represented by a parent, guardian ad litem, or attorney.”;

(5) by striking subparagraph (E) and inserting the following:

“(E) BAR ON ACKNOWLEDGMENT RATIFICATION PROCEEDINGS.—Procedures under which no judicial or administrative proceedings are required or permitted to ratify an unchallenged acknowledgment of paternity.”;

(6) by striking subparagraph (F) and inserting the following:

“(F) ADMISSIBILITY OF GENETIC TESTING RESULTS.—Procedures—

“(i) requiring that the State admit into evidence, for purposes of establishing paternity, results of any genetic test that is—

“(I) of a type generally acknowledged, by accreditation bodies designated by the Secretary, as reliable evidence of paternity; and

“(II) performed by a laboratory approved by such an accreditation body;

“(ii) that any objection to genetic testing results must be made in writing not later than a specified number of days before any hearing at which such results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of such results); and

“(iii) that, if no objection is made, the test results are admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy.”;

(7) by adding after subparagraph (H) the following new subparagraphs:

“(I) NO RIGHT TO JURY TRIAL.—Procedures providing that the parties to an action to establish paternity are not entitled to jury trial.

“(J) TEMPORARY SUPPORT ORDER BASED ON PROBABLE PATERNITY IN CONTESTED CASES.—Procedures which require that a temporary order be issued, upon motion by a party, requiring the provision of child support pending an administrative or judicial determination of parentage, where there is clear and convincing evidence of paternity (on the basis of genetic tests or other evidence).

“(K) PROOF OF CERTAIN SUPPORT AND PATERNITY ESTABLISHMENT COSTS.—Procedures under which bills for pregnancy, childbirth, and genetic testing are admissible as evidence without requiring third-party foundation testimony, and shall constitute prima facie evidence of amounts incurred for such services and testing on behalf of the child.

“(L) WAIVER OF STATE DEBTS FOR COOPERATION.—At the option of the State, procedures under which the tribunal establishing paternity and support has discretion to waive rights to all or part of amounts owed to the State (but not to the mother) for costs related to pregnancy, childbirth, and genetic testing and for public assistance paid to the family where the father cooperates or acknowledges paternity before or after genetic testing.

“(M) STANDING OF PUTATIVE FATHERS.—Procedures ensuring that the putative father has a reasonable opportunity to initiate a paternity action.”.

(b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is amended by inserting “, and develop an affidavit to be used for the voluntary acknowledgment of paternity which shall include the social security account number of each parent” before the semicolon.

(c) TECHNICAL AMENDMENT.—Section 468 (42 U.S.C. 668) is amended by striking “a simple civil process for voluntarily acknowledging paternity and”.

**SEC. 342. OUTREACH FOR VOLUNTARY PATERNITY ESTABLISHMENT.**

(a) STATE PLAN REQUIREMENT.—Section 454(23) (42 U.S.C. 654(23)) is amended by adding at the end the following new subparagraph:

“(C) publicize the availability and encourage the use of procedures for voluntary establishment of paternity and child support through a variety of means, which—

“(i) include distribution of written materials as health care facilities (including hospitals and clinics), and other locations such as schools;

“(ii) may include pre-natal programs to educate expectant couples on individual and joint rights and responsibilities with respect to paternity (and may require all expectant recipients of assistance under part A to participate in such pre-natal programs, as an element of cooperation with efforts to establish paternity and child support);

“(iii) include, with respect to each child discharged from a hospital after birth for whom paternity or child support has not been established, reasonable follow-up efforts (including at least one contact of each parent whose whereabouts are known, except where there is reason to believe such follow-up efforts would put mother or child at risk), providing—

“(I) in the case of a child for whom paternity has not been established, information on the benefits of and procedures for establishing paternity; and

“(II) in the case of a child for whom paternity has been established but child support has not been established, information on the benefits of and procedures for establishing a child support order, and an application for child support services;”.

(b) ENHANCED FEDERAL MATCHING.—Section 455(a)(1)(C) (42 U.S.C. 655(a)(1)(C)) is amended—

(1) by inserting “(i)” before “laboratory costs”, and

(2) by inserting before the semicolon “, and (ii) costs of outreach programs designed to encourage voluntary acknowledgment of paternity”.

(c) EFFECTIVE DATES.—(1) The amendments made by subsection (a) shall become effective October 1, 1997.

(2) The amendments made by subsection (b) shall be effective with respect to calendar quarters beginning on and after October 1, 1996.

**Subtitle F—Establishment and Modification of Support Orders**

**SEC. 351. NATIONAL CHILD SUPPORT GUIDELINES COMMISSION.**

(a) ESTABLISHMENT.—There is hereby established a commission to be known as the “National Child Support Guidelines Commission” (in this section referred to as the “Commission”).

(b) GENERAL DUTIES.—The Commission shall develop a national child support guideline for consideration by the Congress that is based on a study of various guideline models, the benefits and deficiencies of such models, and any needed improvements.

(c) MEMBERSHIP.—

(1) NUMBER; APPOINTMENT.—

(A) IN GENERAL.—The Commission shall be composed of 12 individuals appointed jointly by the Secretary of Health and Human Services and the Congress, not later than January 15, 1997, of which—

(i) 2 shall be appointed by the Chairman of the Committee on Finance of the Senate, and 1 shall be appointed by the ranking minority member of the Committee;

(ii) 2 shall be appointed by the Chairman of the Committee on Ways and Means of the House of Representatives, and 1 shall be appointed by the ranking minority member of the Committee; and

(iii) 6 shall be appointed by the Secretary of Health and Human Services.

(B) QUALIFICATIONS OF MEMBERS.—Members of the Commission shall have expertise and experience in the evaluation and development of child support guidelines. At least 1 member shall represent advocacy groups for custodial parents, at least 1 member shall represent advocacy groups for noncustodial parents, and at least 1 member shall be the director of a State program under part D of title IV of the Social Security Act.

(2) TERMS OF OFFICE.—Each member shall be appointed for a term of 2 years. A vacancy in the Commission shall be filled in the manner in which the original appointment was made.

(d) COMMISSION POWERS, COMPENSATION, ACCESS TO INFORMATION, AND SUPERVISION.—The first sentence of subparagraph (C), the first and third sentences of subparagraph (D), subparagraph (F) (except with respect to the conduct of medical studies), clauses (ii) and (iii) of subparagraph (G), and subparagraph (H) of section 1886(e)(6) of the Social Security Act shall apply to the Commission in the same manner in which such provisions apply to the Prospective Payment Assessment Commission.

(e) REPORT.—Not later than 2 years after the appointment of members, the Commission shall submit to the President, the Committee on Ways and Means of the House of Representatives, and the Committee on Finance of the Senate, a recommended national child support guideline and a final assessment of issues relating to such a proposed national child support guideline.

(f) TERMINATION.—The Commission shall terminate 6 months after the submission of the report described in subsection (e).

**SEC. 352. SIMPLIFIED PROCESS FOR REVIEW AND ADJUSTMENT OF CHILD SUPPORT ORDERS.**

(a) IN GENERAL.—Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amended to read as follows:

“(10) PROCEDURES FOR MODIFICATION OF SUPPORT ORDERS.—

“(A) (i) Procedures under which—

“(I) every 3 years, at the request of either parent subject to a child support order, the State shall review and, as appropriate, ad-

just the order in accordance with the guidelines established under section 467(a) if the amount of the child support award under the order differs from the amount that would be awarded in accordance with such guidelines, without a requirement for any other change in circumstances; and

“(II) upon request at any time of either parent subject to a child support order, the State shall review and, as appropriate, adjust the order in accordance with the guidelines established under section 467(a) based on a substantial change in the circumstances of either such parent.

“(ii) Such procedures shall require both parents subject to a child support order to be notified of their rights and responsibilities provided for under clause (i) at the time the order is issued and in the annual information exchange form provided under subparagraph (B).

“(B) Procedures under which each child support order issued or modified in the State after the effective date of this subparagraph shall require the parents subject to the order to provide each other with a complete statement of their respective financial condition annually on a form which shall be established by the Secretary and provided by the State. The Secretary shall establish regulations for the enforcement of such exchange of information.”.

**Subtitle G—Enforcement of Support Orders**

**SEC. 361. FEDERAL INCOME TAX REFUND OFFSET.**

(a) CHANGED ORDER OF REFUND DISTRIBUTION UNDER INTERNAL REVENUE CODE.—Section 6402(c) of the Internal Revenue Code of 1986 is amended—

(1) by striking “The amount” and inserting “(1) IN GENERAL.—The amount”;

(2) by striking “paid to the State. A reduction” and inserting “paid to the State.

“(2) PRIORITIES FOR OFFSET.—A reduction”;

(3) by striking “has been assigned” and inserting “has not been assigned”, and

(4) by striking “and shall be applied” and all that follows and inserting “and shall thereafter be applied to satisfy any past-due support that has been so assigned.”.

(b) ELIMINATION OF DISPARITIES IN TREATMENT OF ASSIGNED AND NON-ASSIGNED ARREARAGES.—(1) Section 464(a) (42 U.S.C. 664(a)) is amended—

(A) by striking “(a)” and inserting “(a) OFFSET AUTHORIZED.—”;

(B) in paragraph (1)—

(i) in the first sentence, by striking “which has been assigned to such State pursuant to section 402(a)(26) or section 471(a)(17)”;

(ii) in the second sentence, by striking “in accordance with section 457 (b)(4) or (d)(3)” and inserting “as provided in paragraph (2)”;

(C) in paragraph (2), to read as follows:

“(2) The State agency shall distribute amounts paid by the Secretary of the Treasury pursuant to paragraph (1)—

“(A) in accordance with section 457 (a)(4) or (d)(3), in the case of past-due support assigned to a State pursuant to section 402(a)(26) or section 471(a)(17); and

“(B) to or on behalf of the child to whom the support was owed, in the case of past-due support not so assigned.”;

(D) in paragraph (3)—

(i) by striking “or (2)” each place it appears; and

(ii) in subparagraph (B), by striking “under paragraph (2)” and inserting “on account of past-due support described in paragraph (2)(B)”.

(2) Section 464(b) (42 U.S.C. 664(b)) is amended—

(A) by striking “(b)(1)” and inserting “(b) REGULATIONS.—”;

(B) by striking paragraph (2).

(3) Section 464(c) (42 U.S.C. 664(c)) is amended—

(A) by striking "(c)(1) Except as provided in paragraph (2), as" and inserting "(c) DEFINITION.—As"; and

(B) by striking paragraphs (2) and (3).

(c) TREATMENT OF LUMP-SUM TAX REFUND UNDER AFDC.—

(1) EXEMPTION FROM LUMP-SUM RULE.—Section 402(a)(17) (42 U.S.C. 602(a)(17)) is amended by adding at the end the following: "but this paragraph shall not apply to income received by a family that is attributable to a child support obligation owed with respect to a member of the family and that is paid to the family from amounts withheld from a Federal income tax refund otherwise payable to the person owing such obligation, to the extent that such income is placed in a qualified asset account (as defined in section 406(j)) the total amounts in which, after such placement, does not exceed \$10,000;".

(2) QUALIFIED ASSET ACCOUNT DEFINED.—Section 406 (42 U.S.C. 606), as amended by section 302(g)(2) of this Act, is amended by adding at the end the following:

"(j)(1) The term 'qualified asset account' means a mechanism approved by the State (such as individual retirement accounts, escrow accounts, or savings bonds) that allows savings of a family receiving aid to families with dependent children to be used for qualified distributions.

"(2) The term 'qualified distribution' means a distribution from a qualified asset account for expenses directly related to 1 or more of the following purposes:

"(A) The attendance of a member of the family at any education or training program.

"(B) The improvement of the employability (including self-employment) of a member of the family (such as through the purchase of an automobile).

"(C) The purchase of a home for the family.

"(D) A change of the family residence."

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1999.

#### SEC. 362. INTERNAL REVENUE SERVICE COLLECTION OF ARREARS.

(a) AMENDMENT TO INTERNAL REVENUE CODE.—Section 6305(a) of the Internal Revenue Code of 1986 is amended—

(1) in paragraph (1), by inserting "except as provided in paragraph (5)" after "collected";

(2) by striking "and" at the end of paragraph (3);

(3) by striking the period at the end of paragraph (4) and inserting a comma;

(4) by adding after paragraph (4) the following new paragraph:

"(5) no additional fee may be assessed for adjustments to an amount previously certified pursuant to such section 452(b) with respect to the same obligor."; and

(5) by striking "Secretary of Health, Education, and Welfare" each place it appears and inserting "Secretary of Health and Human Services".

(b) EFFECTIVE DATE.—The amendments made by this section shall become effective October 1, 1997.

#### SEC. 363. AUTHORITY TO COLLECT SUPPORT FROM FEDERAL EMPLOYEES.

(a) CONSOLIDATION AND STREAMLINING OF AUTHORITIES.—

(1) Section 459 (42 U.S.C. 659) is amended in the caption by inserting "INCOME WITHHOLDING," before "GARNISHMENT".

(2) Section 459(a) (42 U.S.C. 659(a)) is amended—

(A) by striking "(a)" and inserting "(a) CONSENT TO SUPPORT ENFORCEMENT.—

(B) by striking "section 207" and inserting "section 207 of this Act and 38 U.S.C. 5301"; and

(C) by striking all that follows "a private person," and inserting "to withholding in accordance with State law pursuant to sub-

sections (a)(1) and (b) of section 466 and regulations of the Secretary thereunder, and to any other legal process brought, by a State agency administering a program under this part or by an individual obligee, to enforce the legal obligation of such individual to provide child support or alimony."

(3) Section 459(b) (42 U.S.C. 659(b)) is amended to read as follows:

"(b) CONSENT TO REQUIREMENTS APPLICABLE TO PRIVATE PERSON.—Except as otherwise provided herein, each entity specified in subsection (a) shall be subject, with respect to notice to withhold income pursuant to subsection (a)(1) or (b) of section 466, or to any other order or process to enforce support obligations against an individual (if such order or process contains or is accompanied by sufficient data to permit prompt identification of the individual and the moneys involved), to the same requirements as would apply if such entity were a private person."

(4) Section 459(c) (42 U.S.C. 659(c)) is redesignated and relocated as paragraph (2) of subsection (f), and is amended—

(A) by striking "responding to interrogatories pursuant to requirements imposed by section 461(b)(3)" and inserting "taking actions necessary to comply with the requirements of subsection (A) with regard to any individual"; and

(B) by striking "any of his duties" and all that follows and inserting "such duties."

(5) Section 461 (42 U.S.C. 661) is amended by striking subsection (b), and section 459 (42 U.S.C. 659) is amended by inserting after subsection (b) (as added by paragraph (3) of this subsection) the following:

"(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE OR PROCESS.—(1) The head of each agency subject to the requirements of this section shall—

"(A) designate an agent or agents to receive orders and accept service of process; and

"(B) publish (i) in the appendix of such regulations, (ii) in each subsequent republication of such regulations, and (iii) annually in the Federal Register, the designation of such agent or agents, identified by title of position, mailing address, and telephone number."

(6) Section 459 (42 U.S.C. 659) is amended by striking subsection (d) and by inserting after subsection (c)(1) (as added by paragraph (5) of this subsection) the following:

"(2) Whenever an agent designated pursuant to paragraph (1) receives notice pursuant to subsection (a)(1) or (b) of section 466, or is effectively served with any order, process, or interrogatories, with respect to an individual's child support or alimony payment obligations, such agent shall—

"(A) as soon as possible (but not later than fifteen days) thereafter, send written notice of such notice or service (together with a copy thereof) to such individual at his duty station or last-known home address;

"(B) within 30 days (or such longer period as may be prescribed by applicable State law) after receipt of a notice pursuant to subsection (a)(1) or (b) of section 466, comply with all applicable provisions of such section 466; and

"(C) within 30 days (or such longer period as may be prescribed by applicable State law) after effective service of any other such order, process, or interrogatories, respond thereto."

(7) Section 461 (42 U.S.C. 661) is amended by striking subsection (c), and section 459 (42 U.S.C. 659) is amended by inserting after subsection (c) (as added by paragraph (5) and amended by paragraph (6) of this subsection) the following:

"(d) PRIORITY OF CLAIMS.—In the event that a governmental entity receives notice or is served with process, as provided in this

section, concerning amounts owed by an individual to more than one person—

"(1) support collection under section 466(b) must be given priority over any other process, as provided in section 466(b)(7);

"(2) allocation of moneys due or payable to an individual among claimants under section 466(b) shall be governed by the provisions of such section 466(b) and regulations thereunder; and

"(3) such moneys as remain after compliance with subparagraphs (A) and (B) shall be available to satisfy any other such processes on a first-come, first-served basis, with any such process being satisfied out of such moneys as remain after the satisfaction of all such processes which have been previously served."

(8) Section 459(e) (42 U.S.C. 659(e)) is amended by striking "(e)" and inserting the following:

"(e) NO REQUIREMENT TO VARY PAY CYCLES.—"

(9) Section 459(f) (42 U.S.C. 659(f)) is amended by striking "(f)" and inserting the following:

"(f) RELIEF FROM LIABILITY.—(1)"

(10) Section 461(a) (42 U.S.C. 661(a)) is redesignated and relocated as section 459(g), and is amended—

(A) by striking "(g)" and inserting the following:

"(g) REGULATIONS.—"; and

(B) by striking "section 459" and inserting "this section".

(11) Section 462 (42 U.S.C. 662) is amended by striking subsection (f), and section 459 (42 U.S.C. 659) is amended by inserting the following after subsection (g) (as added by paragraph (10) of this subsection):

"(h) MONEYS SUBJECT TO PROCESS.—(1) Subject to subsection (i), moneys paid or payable to an individual which are considered to be based upon remuneration for employment, for purposes of this section—

"(A) consist of—

"(i) compensation paid or payable for personal services of such individual, whether such compensation is denominated as wages, salary, commission, bonus, pay, allowances, or otherwise (including severance pay, sick pay, and incentive pay);

"(ii) periodic benefits (including a periodic benefit as defined in section 228(h)(3)) or other payments—

"(I) under the insurance system established by title II;

"(II) under any other system or fund established by the United States which provides for the payment of pensions, retirement or retired pay, annuities, dependents' or survivors' benefits, or similar amounts payable on account of personal services performed by the individual or any other individual;

"(III) as compensation for death under any Federal program;

"(IV) under any Federal program established to provide 'black lung' benefits; or

"(V) by the Secretary of Veterans Affairs as pension, or as compensation for a service-connected disability or death (except any compensation paid by such Secretary to a former member of the Armed Forces who is in receipt of retired or retainer pay if such former member has waived a portion of his retired pay in order to receive such compensation); and

"(iii) worker's compensation benefits paid under Federal or State law; but

"(B) do not include any payment—

"(i) by way of reimbursement or otherwise, to defray expenses incurred by such individual in carrying out duties associated with his employment; or

"(ii) as allowances for members of the uniformed services payable pursuant to chapter 7 of title 37, United States Code, as prescribed by the Secretaries concerned (defined

by section 101(5) of such title) as necessary for the efficient performance of duty.”.

(12) Section 462(g) (42 U.S.C. 662(g)) is redesignated and relocated as section 459(i) (42 U.S.C. 659(i)).

(13)(A) Section 462 (42 U.S.C. 662) is amended—

(i) in subsection (e)(1), by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii); and

(ii) in subsection (e), by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B).

(B) Section 459 (42 U.S.C. 659) is amended by adding at the end the following:

“(j) DEFINITIONS.—For purposes of this section—”.

(C) Subsections (a) through (e) of section 462 (42 U.S.C. 662), as amended by subparagraph (A) of this paragraph, are relocated and redesignated as paragraphs (1) through (4), respectively of section 459(j) (as added by subparagraph (B) of this paragraph, (42 U.S.C. 659(j))), and the left margin of each of such paragraphs (1) through (4) is indented 2 ems to the right of the left margin of subsection (i) (as added by paragraph (12) of this subsection).

(b) CONFORMING AMENDMENTS.—

(1) TO PART D OF TITLE IV.—Sections 461 and 462 (42 U.S.C. 661), as amended by subsection (a) of this section, are repealed.

(2) TO TITLE 5, UNITED STATES CODE.—Section 5520a of title 5, United States Code, is amended, in subsections (h)(2) and (i), by striking “sections 459, 461, and 462 of the Social Security Act (42 U.S.C. 659, 661, and 662)” and inserting “section 459 of the Social Security Act (42 U.S.C. 659)”.

(c) MILITARY RETIRED AND RETAINER PAY.—

(1) DEFINITION OF COURT.—Section 1408(a)(1) of title 10, United States Code, is amended—

(A) by striking “and” at the end of subparagraph (B);

(B) by striking the period at the end of subparagraph (C) and inserting “; and”; and

(C) by adding after subparagraph (C) the following new paragraph:

“(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a State program under part D of title IV of the Social Security Act).”;

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended by inserting “or a court order for the payment of child support not included in or accompanied by such a decree of settlement,” before “which—”.

(3) PUBLIC PAYEE.—Section 1408(d) of such title is amended—

(A) in the heading, by striking “to spouse” and inserting “to (or for benefit of)”; and

(B) in paragraph (1), in the first sentence, by inserting “(or for the benefit of such spouse or former spouse to a State central collections unit or other public payee designated by a State, in accordance with part D of title IV of the Social Security Act, as directed by court order, or as otherwise directed in accordance with such part D)” before “in an amount sufficient”.

(4) RELATIONSHIP TO PART D OF TITLE IV.—Section 1408 of such title is amended by adding at the end the following new subsection:

“(j) RELATIONSHIP TO OTHER LAWS.—In any case involving a child support order against a member who has never been married to the other parent of the child, the provisions of this section shall not apply, and the case shall be subject to the provisions of section 459 of the Social Security Act.”.

(d) EFFECTIVE DATE.—The amendments made by this section shall become effective 6 months after the date of the enactment of this Act.

#### SEC. 364. ENFORCEMENT OF CHILD SUPPORT OBLIGATIONS OF MEMBERS OF THE ARMED FORCES.

(a) AVAILABILITY OF LOCATOR INFORMATION.—

(1) MAINTENANCE OF ADDRESS INFORMATION.—The Secretary of Defense shall establish a centralized personnel locator service that includes the address of each member of the Armed Forces under the jurisdiction of the Secretary. Upon request of the Secretary of Transportation, addresses for members of the Coast Guard shall be included in the centralized personnel locator service.

(2) TYPE OF ADDRESS.—

(A) RESIDENTIAL ADDRESS.—Except as provided in subparagraph (B), the address for a member of the Armed Forces shown in the locator service shall be the residential address of that member.

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

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

(ii) with respect to whom the Secretary concerned makes a determination that the member’s residential address should not be disclosed due to national security or safety concerns.

(3) UPDATING OF LOCATOR INFORMATION.—Within 30 days after a member listed in the locator service establishes a new residential address (or a new duty address, in the case of a member covered by paragraph (2)(B)), the Secretary concerned shall update the locator service to indicate the new address of the member.

(4) AVAILABILITY OF INFORMATION.—The Secretary of Defense shall make information regarding the address of a member of the Armed Forces listed in the locator service available, on request, to the Federal Parent Locator Service.

(b) FACILITATING GRANTING OF LEAVE FOR ATTENDANCE AT HEARINGS.—

(1) REGULATIONS.—The Secretary of each military department, and the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy, shall prescribe regulations to facilitate the granting of leave to a member of the Armed Forces under the jurisdiction of that Secretary in a case in which—

(A) the leave is needed for the member to attend a hearing described in paragraph (2);

(B) the member is not serving in or with a unit deployed in a contingency operation (as defined in section 101 of title 10, United States Code); and

(C) the exigencies of military service (as determined by the Secretary concerned) do not otherwise require that such leave not be granted

(2) COVERED HEARINGS.—Paragraph (1) applies to a hearing that is conducted by a court or pursuant to an administrative process established under State law, in connection with a civil action—

(A) to determine whether a member of the Armed Forces is a natural parent of a child; or

(B) to determine an obligation of a member of the Armed Forces to provide child support.

(3) DEFINITIONS.—for purposes of this subsection;

(A) The term “court” has the meaning given that term in section 1408(a) of title 10, United States Code.

(B) The term “child support” has the meaning given such term in section 462 of the Social Security Act (42 U.S.C. 662).

(c) PAYMENT OF MILITARY RETIRED PAY IN COMPLIANCE WITH CHILD SUPPORT ORDERS.—

(1) DATE OF CERTIFICATION OF COURT ORDER.—Section 1408 of title 10, United States Code, is amended—

(A) by redesignating subsection (i) as subsection (j); and

(B) by inserting after subsection (h) the following new subsection (i):

“(i) CERTIFICATION DATE.—It is not necessary that the date of a certification of the authenticity or completeness of a copy of a court order or an order of an administrative process established under State law for child support received by the Secretary concerned for the purposes of this section be recent in relation to the date of receipt by the Secretary.”.

(2) PAYMENTS CONSISTENT WITH ASSIGNMENTS OF RIGHTS TO STATES.—Section 1408(d)(1) of such title is amended by inserting after the first sentence the following: “In the case of a spouse or former spouse who, pursuant to section 402(a)(26) of the Social Security Act (42 U.S.C. 602(26)), assigns to a State the rights of the spouse or former spouse to receive support, the Secretary concerned may make the child support payments referred to in the preceding sentence to that State in amounts consistent with that assignment of rights.”.

(3) ARREARAGES OWED BY MEMBERS OF THE UNIFORMED SERVICES.—Section 1408(d) of such title is amended by adding at the end the following new paragraph:

“(6) In the case of a court order or an order of an administrative process established under State law for which effective service is made on the Secretary concerned on or after the date of the enactment of this paragraph and which provides for payments from the disposable retired pay of a member to satisfy the amount of child support set forth in the order, the authority provided in paragraph (1) to make payments from the disposable retired pay of a member to satisfy the amount of child support set forth in a court or an order of an administrative process established under State law shall apply to payment of any amount of child support arrearages set forth in that order as well as to amounts of child support that currently become due.”.

#### SEC. 365. MOTOR VEHICLE LIENS.

Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended—

(1) by striking “(4) Procedures” and inserting the following:

“(4) LIENS.—

“(A) IN GENERAL.—Procedures”; and

(2) by adding at the end the following new subparagraph:

“(B) MOTOR VEHICLE LIENS.—Procedures for placing liens for arrears of child support on motor vehicle titles of individuals owing such arrears equal to or exceeding two months of support, under which—

“(i) any person owed such arrears may place such a lien;

“(ii) the State agency administering the program under this part, shall systematically place such liens;

“(iii) expedited methods are provided for—

“(I) ascertaining the amount of arrears;

“(II) affording the person owing the arrears or other titleholder to contest the amount of arrears or to obtain a release upon fulfilling the support obligation;

“(iv) such a lien has precedence over all other encumbrances on a vehicle title other than a purchase money security interest; and

“(v) the individual or State agency owed the arrears may execute on, seize, and sell the property in accordance with State law.”.

#### SEC. 366. VOIDING OF FRAUDULENT TRANSFERS.

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 301(a), 328(a), and 331 of this Act, is amended by adding at the end the following new paragraph:



“(15) FRAUDULENT TRANSFERS.—Procedures under which—

“(A) the State has in effect—

“(i) the Uniform Fraudulent Conveyance Act of 1981,

“(ii) the Uniform Fraudulent Transfer Act of 1984, or

“(iii) another law, specifying indicia of fraud which create a prima facie case that a debtor transferred income or property to avoid payment to a child support creditor, which the Secretary finds affords comparable rights to child support creditors; and

“(B) in any case in which the State knows of a transfer by a child support debtor with respect to which such a prima facie case is established, the State must—

“(i) seek to void such transfer; or

“(ii) obtain a settlement in the best interests of the child support creditor.”.

**SEC. 367. STATE LAW AUTHORIZING SUSPENSION OF LICENSES.**

Section 466(a) (42 U.S.C. 666(a)), as amended by sections 301(a), 328(a), 331, and 166 of this Act, is amended by adding at the end the following new paragraph:

“(16) AUTHORITY TO WITHHOLD OR SUSPEND LICENSES.—Procedures under which the State has (and uses in appropriate cases) authority (subject to appropriate due process safeguards) to withhold or suspend, or to restrict the use of driver's licenses, professional and occupational licenses, and recreational licenses of individuals owing overdue child support or failing, after receiving appropriate notice, to comply with subpoenas or warrants relating to paternity or child support proceedings.”.

**SEC. 368. REPORTING ARREARAGES TO CREDIT BUREAUS.**

Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended to read as follows:

“(7) REPORTING ARREARAGES TO CREDIT BUREAUS.—(A) Procedures (subject to safeguards pursuant to subparagraph (B)) requiring the State to report periodically to consumer reporting agencies (as defined in section 603(f) of the Fair Credit Reporting Act (15 U.S.C. 1681a(f)) the name of any absent parent who is delinquent by 90 days or more in the payment of support, and the amount of overdue support owed by such parent.

“(B) Procedures ensuring that, in carrying out subparagraph (A), information with respect to an absent parent is reported—

“(i) only after such parent has been afforded all due process required under State law, including notice and a reasonable opportunity to contest the accuracy of such information; and

“(ii) only to an entity that has furnished evidence satisfactory to the State that the entity is a consumer reporting agency.”.

**SEC. 389. EXTENDED STATUTE OF LIMITATION FOR COLLECTION OF ARREARAGES.**

(a) AMENDMENTS.—Section 466(a)(9) (42 U.S.C. 666(a)(9)) is amended—

(1) by striking “(9) Procedures” and inserting the following:

“(9) LEGAL TREATMENT OF ARREARS.—

“(A) FINALITY.—Procedures”;

(2) by redesignating subparagraphs (A), (B), and (C) as clauses (i), (ii), and (iii), respectively, and by indenting each of such clauses 2 additional ems to the right; and

(3) by adding after and below subparagraph (A), as redesignated, the following new subparagraph:

“(B) STATUTE OF LIMITATIONS.—Procedures under which the statute of limitations on any arrearages of child support extends at least until the child owed such support is 30 years of age.”.

(b) APPLICATION OF REQUIREMENT.—The amendment made by this section shall not be read to require any State law to revive any payment obligation which had lapsed prior to the effective date of such State law.

**SEC. 370. CHARGES FOR ARREARAGES.**

(A) STATE LAW REQUIREMENT.—Section 466(a) (42 U.S.C. 666(a)), as amended by section 301(a), 328(a), 331, 366, and 367 of this Act, is amended by adding at the end the following new paragraph:

“(17) CHARGES FOR ARREARAGES.—Procedures providing for the calculation and collection of interest or penalties for arrearages of child support, and for distribution of such interest or penalties collected for the benefit of the child (except where the right to support has been assigned to the State).”.

(b) REGULATIONS.—The Secretary of Health and Human Services shall establish by regulation a rule to resolve choice of law conflicts arising in the implementation of the amendment made by subsection (a).

(c) CONFORMING AMENDMENT.—Section 454(21) (42 U.S.C. 654(21)) is repealed.

(d) EFFECTIVE DATE.—The amendments made by this section shall be effective with respect to arrearages accruing on or after October 1, 1998.

**SEC. 371. DENIAL OF PASSPORTS FOR NON-PAYMENT OF CHILD SUPPORT.**

(a) HHS CERTIFICATION PROCEDURE.—

(1) SECRETARIAL RESPONSIBILITY.—Section 452 (42 U.S.C. 652), as amended by sections 315(a)(3) and 317 of this Act, is amended by adding at the end the following new subsection:

“(1) CERTIFICATIONS FOR PURPOSES OF PASSPORT RESTRICTIONS.—

“(1) IN GENERAL.—Where the Secretary receives a certification by a State agency in accordance with the requirements of section 454(28) that an individual owes arrearages of child support in an amount exceeding \$5,000 or in an amount exceeding 24 months' worth of child support, the Secretary shall transmit such certification to the Secretary of State for action (with respect to denial, revocation, or limitation of passports) pursuant to section 171(b) of this Act.

“(2) LIMIT ON LIABILITY.—The Secretary shall not be liable to an individual for any action with respect to a certification by a State agency under this section.”.

(2) STATE CSE AGENCY RESPONSIBILITY.—Section 454 (42 U.S.C. 654), as amended by sections 304(a), 314(b), and 322(a) of this Act, is amended—

(A) by striking “and” at the end of paragraph (26);

(B) by striking the period at the end of paragraph (27) and inserting “; and”; and

(C) by adding after paragraph (27) the following new paragraph:

“(28) provide that the State agency will have in effect a procedure (which may be combined with the procedure for tax refund offset under section 464) for certifying to the Secretary, for purposes of the procedure under section 452(l) (concerning denial of passports) determinations that individuals owe arrearages of child support in an amount exceeding \$5,000 or in an amount exceeding 24 months' worth of child support, under which procedure—

“(A) each individual concerned is afforded notice of such determination and the consequences thereof, and an opportunity to contest the determination; and

“(B) the certification by the State agency is furnished to the Secretary in such format, and accompanied by such supporting documentation, as the Secretary may require.”.

(b) STATE DEPARTMENT PROCEDURE FOR DENIAL OF PASSPORTS.—

(1) IN GENERAL.—The Secretary of State, upon certification by the Secretary of Health and Human Services, in accordance with section 452(l) of the Social Security Act, that an individual owes arrearages of child support in excess of \$5,000, shall refuse to issue a passport to such individual, and may revoke, restrict, or limit a passport issued previously to such individual.

(2) LIMIT ON LIABILITY.—The Secretary of State shall not be liable to an individual for any action with respect to a certification by a State agency under this section.

(c) EFFECTIVE DATE.—This section and the amendments made by this section shall become effective October 1, 1996.

**SEC. 372. INTERNATIONAL CHILD SUPPORT ENFORCEMENT.**

(A) SENSE OF THE CONGRESS THAT THE UNITED STATES SHOULD RATIFY THE UNITED NATIONS CONVENTION OF 1956.—It is the sense of the Congress that the United States should ratify the United Nations Convention of 1956.

(b) TREATMENT OF INTERNATIONAL CHILD SUPPORT CASES AS INTERSTATE CASES.—Section 454 (42 U.S.C. 654), as amended by sections 304(a), 314(b), 322(a), and 371(a)(2) of this Act, is amended—

(1) by striking “and” at the end of paragraph (27);

(2) by striking the period at the end of paragraph (28) and inserting “; and”; and

(3) by inserting after paragraph (28) the following:

“(29) provide that the State must treat international child support cases in the same manner as the State treats interstate child support cases.”.

**Subtitle H—Medical Support**

**SEC. 381. TECHNICAL CORRECTION TO ERISA DEFINITION OF MEDICAL CHILD SUPPORT ORDER.**

(a) GENERAL.—Section 609(a)(2)(B) of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1169(a)(2)(B)) is amended—

(1) by striking “issued by a court of competent jurisdiction”;

(2) by striking the period at the end of clause (ii) and inserting a comma; and

(3) by adding, after and below clause (ii), the following: “if such judgment, decree, or order (I) is issued by a court of competent jurisdiction or (II) is issued by an administrative adjudicator and has the force and effect of law under applicable State law.”.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on the date of the enactment of this Act.

(2) PLAN AMENDMENTS NOT REQUIRED UNTIL JANUARY 1, 1996.—Any amendment to a plan required to be made by an amendment made by this section shall not be required to be made before the first plan year beginning on or after January 1, 1996, if—

(A) during the period after the date before the date of the enactment of this Act and before such first plan year, the plan is operated in accordance with the requirements of the amendments made by this section, and

(B) such plan amendment applies retroactively to the period after the date before the date of the enactment of this Act and before such first plan year.

A plan shall not be treated as failing to be operated in accordance with the provisions of the plan merely because it operates in accordance with this paragraph.

**Subtitle I—Effect of Enactment**

**SEC. 391. EFFECTIVE DATES.**

(A) IN GENERAL.—Except as otherwise specifically provided (but subject to subsections (b) and (c))—

(1) provisions of this title requiring enactment or amendment of State laws under section 466 of the Social Security Act, or revision of State plans under section 454 of such Act, shall be effective with respect to periods beginning on and after October 1, 1996; and

(2) all other provisions of this title shall become effective upon enactment.

(b) GRACE PERIOD FOR STATE LAW CHANGES.—The provisions of this title shall become effective with respect to a State on the later of—

(1) the date specified in this title, or
(2) the effective date of laws enacted by the legislature of such State implementing such provisions, but in no event later than the first day of the first calendar quarter beginning after the close of the first regular session of the State legislature that begins after the date of enactment of this Act.

(c) GRACE PERIOD FOR STATE CONSTITUTIONAL AMENDMENT.—A State shall not be found out of compliance with any requirement enacted by this title if it is unable to comply without amending the State constitution until the earlier of—

(1) the date one year after the effective date of the necessary State constitutional amendment, or

(2) the date five years after enactment of this title.

SEC. 392. SEVERABILITY.

If any provision of this title or the application thereof to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of this title which can be given effect without regard to the invalid provision or application, and to this end the provisions of this title shall be severable.

TITLE IV—REAUTHORIZATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT

SEC. 431. REAUTHORIZATION OF CHILD CARE AND DEVELOPMENT BLOCK GRANT.

Section 658B of the Child Care and Development Block Grant Act of 1990 (42 U.S.C. 9858) is amended to read as follows:

SEC. 658B. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this subchapter—

“(1) such sums as may be necessary for fiscal year 1995;

- “(2) \$1,000,000,000 for fiscal year 1996;
“(3) \$1,500,000,000 for fiscal year 1997;
“(4) \$2,000,000,000 for fiscal year 1998;
“(5) \$2,500,000,000 for fiscal year 1999;
“(6) \$3,000,000,000 for fiscal year 2000; and
“(7) \$3,500,000,000 for fiscal year 2001.”.

TITLE V—AMENDMENTS TO THE INTERNAL REVENUE CODE

SEC. 501. INCREASE IN TOP MARGINAL RATE UNDER SECTION 11.

(a) IN GENERAL.—The following provisions of the Internal Revenue Code of 1986 are amended by striking “35” and inserting “36.25”:

- (1) Section 11(b)(1).
(2) Section 11(b)(2).
(3) Section 1201(a).
(4) Paragraphs (1) and (2) of section 1445(e)

(b) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning on or after October 1, 1996, except that the amendment made by subsection (a)(4) shall take effect on October 1, 1996.

TITLE VI—EFFECTIVE DATE

SEC. 601. EFFECTIVE DATE.

Except as otherwise provided in this Act, this Act and the amendments made by this Act shall take effect on October 1, 1996.

It was decided in the Yeas ..... 96
negative ..... Nays ..... 336

¶50.6 [Roll No. 267]
AYES—96

Table listing names of members: Abercrombie, Ackerman, Barcia, Becerra, Bishop, Bonior, Brown (FL), Clay, Clayton, Clyburn, Coleman, Collins (IL), Collins (MI), Conyers, Coyne, de la Garza, Dellums, Dicks, etc.

Table listing names of members: Dingell, Dixon, Engel, Evans, Farr, Fattah, Fazio, Fields (LA), Filner, Flake, Foglietta, Ford, Frank (MA), Frost, Gejdenson, Gephardt, Gibbons, Gonzalez, Green, Gutierrez, Hall (OH), Hastings (FL), Hilliard, Hinchey, Jackson-Lee, Johnson, E. B., Kennedy (RI), Kennelly, Lantos, Lewis (GA), Lofgren, Martinez, Matsui, McDermott, McKinney, Meek, Mfume, Miller (CA), Mineta, Mink, Nadler, Oberstar, Oliver, Ortiz, Owens, Pastor, Payne (NJ), Pelosi, Rahall, Rangel, Reynolds, etc.

NOES—336

Table listing names of members: Allard, Andrews, Archer, Armye, Bachus, Baesler, Baker (CA), Baker (LA), Baldacci, Ballenger, Barr, Barrett (NE), Barrett (WI), Bartlett, Barton, Bass, Bateman, Beilenson, Bentsen, Bereuter, Berman, Bevill, Bilbray, Bilirakis, Bilely, Blute, Boehlert, Boehner, Bonilla, Bono, Borski, Boucher, Brewster, Browder, Brown (OH), Brownback, Bryant (TN), Bryant (TX), Bunn, Bunning, Burr, Burton, Buyer, Callahan, Calvert, Camp, Canady, Cardin, Castle, Chabot, Chambliss, Chapman, Chenoweth, Christensen, Chrysler, Clement, Clinger, Coble, Coburn, Collins (GA), Combust, Condit, Cooley, Costello, Cox, Cramer, Crane, Crapo, Creameans, Cubin, Cunningham, Danner, Davis, Deal, DeFazio, DeLauro, DeLay, Deutsch, Diaz-Balart, Dickey, Doggett, Dooley, Doolittle, Dornan, Doyle, Dreier, Duncan, Dunn, Durbin, Edwards, Ehlers, Ehrlich, Emerson, English, Ensign, Eshoo, Everett, Ewing, Fawell, Fields (TX), Flanagan, Foley, Forbes, Fowler, Fox, Franks (CT), Franks (NJ), Frelinghuysen, Frisa, Funderburk, Gallely, Ganske, Gekas, Geren, Gilchrest, Gillmor, Gilman, Goodlatte, Goodling, Gordon, Goss, Graham, Greenwood, Gunderson, Gutknecht, Hall (TX), Hamilton, Hancock, Hansen, Harman, Hastert, Hastings (WA), Hayes, Hayworth, Hefley, Hefner, Heineman, Herger, Hillery, Hobson, Hoekstra, Hoke, Holden, Horn, etc.

Table listing names of members: Richardon, Rivers, Roybal-Allard, Rush, Sabo, Sanders, Sawyer, Schroeder, Scott, Serrano, Stark, Stokes, Studds, Thompson, Torres, Towns, Tucker, Velazquez, Vento, Waters, Watt (NC), Waxman, Williams, Woolsey, Wynn, Yates, Hostettler, Houghton, Hoyer, Hunter, Hutchinson, Hyde, Inglis, Istook, Jacobs, Jefferson, Johnson (CT), Johnson (SD), Jones, Kanjorski, Kaptur, Kasich, Kelly, Kennedy (MA), Kildee, Kim, King, Kingston, Kleczka, Klink, Klug, Knollenberg, Kolbe, LaFalce, LaHood, Largent, Latham, LaTourette, Laughlin, Lazio, Leach, Levin, Lewis (CA), Lewis (KY), Lightfoot, Lincoln, Linder, Lipinski, Livingston, LoBiondo, Longley, Lowey, Lucas, Luther, Maloney, Manton, Manzullo, Markey, Martini, Mascara, McCarthy, McCollum, McCrery, McDade, McHale, McHugh, McInnis, McIntosh, McKeon, McNulty, Meehan, Menendez, Metcalf, Meyers, Mica, Miller (FL), Minge, etc.

Table listing names of members: Stupak, Talent, Tanner, Tate, Tauzin, Taylor (MS), Taylor (NC), Tejeda, Thomas, Thornberry, Thornton, Thurman, Tiahrt, Torricelli, Torricelli, Traficant, Upton, Visclosky, Volkmer, Vucanovich, Waldholtz, Walker, Walsh, Wamp, Ward, Watts (OK), Weldon (FL), Weldon (PA), Weller, White, Whitfield, Wicker, Wilson, Wise, Wolf, Wyden, Young (AK), Young (FL), Zelliff, Zimmer, etc.

NOT VOTING—2

Table listing names of members: Brown (CA), Furse

So, pursuant to clause 5(c) of rule XXI, three-fifths of the Members not having voted in the affirmative, the amendment in the nature of a substitute was not agreed to.

The SPEAKER pro tempore, Mr. KOLBE, assumed the Chair.

When Mr. LINDER, Chairman, pursuant to House Resolution 119, reported the bill back to the House with sundry amendments adopted by the Committee.

The previous question having been ordered by said resolution.

Pursuant to House Resolution 119 an amendment in the nature of a substitute consisting of the text of H.R. 1214 was considered as adopted.

The following amendments, reported from the Committee of the Whole House on the state of the Union, were agreed to:

Page 4, strike the item relating to section 592 and insert the following: Sec. 592. Sense of the Congress.

Page 18, strike line 19 and all that follows through line 5 on page 19 and insert the following:

“(3) FOR FAILURE TO PARTICIPATE IN THE INCOME AND ELIGIBILITY VERIFICATION SYSTEM.—If the Secretary determines that a State program funded under this part is not participating during a fiscal year in the income and eligibility verification system required by section 1137, the Secretary shall reduce by 1 percent the amount of the grant that would (in the absence of this subsection, subsection (a)(1)(B) of this section, and section 101(e)(2)) be payable to the State under subsection (a)(1)(A) for the fiscal year.

Page 32, line 20, strike “subsection (c)(1)” and insert “section 403(c)(1)”. Page 32, line 24, strike “, unless” and all that follows through line 13 on page 33 and insert “except consistent with title IV of the Personal Responsibility Act of 1995.”.

Page 33, line 16, strike “a State” and insert “A State”.