

1        *under section 1841 of such Act (42 U.S.C. 1395t), of*  
 2        *\$30,000,000 to the Centers for Medicare & Medicaid*  
 3        *Services Program Management Account for fiscal*  
 4        *year 2006; and*

5            *(2) out of any funds in the Treasury not other-*  
 6        *wise appropriated, there are appropriated to such*  
 7        *Secretary for the Centers for Medicare & Medicaid*  
 8        *Services Program Management Account, \$30,000,000*  
 9        *for fiscal year 2006.*

10        **TITLE VII—HUMAN RESOURCES**  
 11        **AND OTHER PROVISIONS**

12        **SEC. 7001. REFERENCES.**

13        *Except as otherwise expressly provided, wherever in*  
 14        *this title an amendment or repeal is expressed in terms of*  
 15        *an amendment to, or repeal of, a section or other provision,*  
 16        *the amendment or repeal shall be considered to be made*  
 17        *to a section or other provision of the Social Security Act.*

18            **Subtitle A—TANF**

19        **SEC. 7101. TEMPORARY ASSISTANCE FOR NEEDY FAMILIES**  
 20            **AND RELATED PROGRAMS FUNDING**  
 21            **THROUGH SEPTEMBER 30, 2010.**

22        *(a) IN GENERAL.—Activities authorized by part A of*  
 23        *title IV and section 1108(b) of the Social Security Act (ad-*  
 24        *justed, as applicable, by or under this subtitle, the amend-*  
 25        *ments made by this subtitle, and the TANF Emergency Re-*

1 sponse and Recovery Act of 2005) shall continue through  
2 September 30, 2010, in the manner authorized for fiscal  
3 year 2004, and out of any money in the Treasury of the  
4 United States not otherwise appropriated, there are hereby  
5 appropriated such sums as may be necessary for such pur-  
6 pose. Grants and payments may be made pursuant to this  
7 authority on a quarterly basis through fiscal year 2010 at  
8 the level provided for such activities for the corresponding  
9 quarter of fiscal year 2004 (or, as applicable, at such great-  
10 er level as may result from the application of this subtitle,  
11 the amendments made by this subtitle, and the TANF  
12 Emergency Response and Recovery Act of 2005), except that  
13 in the case of section 403(a)(3) of the Social Security Act,  
14 grants and payments may be made pursuant to this author-  
15 ity only through fiscal year 2008 and in the case of section  
16 403(a)(4) of the Social Security Act, no grants shall be  
17 made for any fiscal year occurring after fiscal year 2005.

18 (b) CONFORMING AMENDMENTS.—Part A of title IV  
19 (42 U.S.C. 601 et seq.) is amended—

20 (1) in section 403(a)(3)(H)(ii), by striking “De-  
21 cember, 31, 2005” and inserting “fiscal year 2008”;

22 (2) in section 403(b)(3)(C)(ii), by striking  
23 “2006” and inserting “2010”; and

24 (3) in section 409(a)(7)—

1           (A) in subparagraph (A), by striking “or  
2           2007” and inserting “2007, 2008, 2009, 2010, or  
3           2011”; and

4           (B) in subparagraph (B)(ii), by striking  
5           “2006” and inserting “2010”.

6           (c) *EXTENSION OF THE NATIONAL RANDOM SAMPLE*  
7 *STUDY OF CHILD WELFARE THROUGH SEPTEMBER 30,*  
8 *2010.—Activities authorized by section 429A of the Social*  
9 *Security Act shall continue through September 30, 2010,*  
10 *in the manner authorized for fiscal year 2004, and out of*  
11 *any money in the Treasury of the United States not other-*  
12 *wise appropriated, there are hereby appropriated such sums*  
13 *as may be necessary for such purpose. Grants and payments*  
14 *may be made pursuant to this authority on a quarterly*  
15 *basis through fiscal year 2010 at the level provided for such*  
16 *activities for the corresponding quarter of fiscal year 2004.*

17 **SEC. 7102. IMPROVED CALCULATION OF WORK PARTICIPA-**  
18 **TION RATES AND PROGRAM INTEGRITY.**

19           (a) *RECALIBRATION OF CASELOAD REDUCTION CRED-*  
20 *IT.—*

21           (1) *IN GENERAL.—Section 407(b)(3)(A) (42*  
22 *U.S.C. 607(b)(3)(A)) is amended—*

23           (A) in clause (i), by inserting “or any other  
24           State program funded with qualified State ex-

1            *penditures (as defined in section*  
 2            *409(a)(7)(B)(i))” after “this part”; and*  
 3            *(B) by striking clause (ii) and inserting the*  
 4            *following:*

5                    *“(ii) the average monthly number of*  
 6                    *families that received assistance under any*  
 7                    *State program referred to in clause (i) dur-*  
 8                    *ing fiscal year 2005.”.*

9            (2)        *CONFORMING AMENDMENT.—Section*  
 10            *407(b)(3)(B) (42 U.S.C. 607(b)(3)(B)) is amended by*  
 11            *striking “and eligibility criteria” and all that follows*  
 12            *through the close parenthesis and inserting “and the*  
 13            *eligibility criteria in effect during fiscal year 2005”.*

14            (b) *INCLUSION OF FAMILIES RECEIVING ASSISTANCE*  
 15            *UNDER SEPARATE STATE PROGRAMS IN CALCULATION OF*  
 16            *PARTICIPATION RATES.—*

17                    (1) *Section 407 (42 U.S.C. 607) is amended in*  
 18                    *each of subsections (a)(1), (a)(2), (b)(1)(B)(i),*  
 19                    *(c)(2)(A)(i), (e)(1), and (e)(2), by inserting “or any*  
 20                    *other State program funded with qualified State ex-*  
 21                    *penditures (as defined in section 409(a)(7)(B)(i))”*  
 22                    *after “this part”.*

23                    (2) *Section 411(a)(1) (42 U.S.C. 611(a)(1)) is*  
 24                    *amended—*

1           (A) in subparagraph (A), by inserting “or  
2           any other State program funded with qualified  
3           State expenditures (as defined in section  
4           409(a)(7)(B)(i))” before the colon; and

5           (B) in subparagraph (B)(i), by inserting  
6           “and any other State programs funded with  
7           qualified State expenditures (as defined in sec-  
8           tion 409(a)(7)(B)(i))” after “this part”.

9           (c) *IMPROVED VERIFICATION AND OVERSIGHT OF*  
10 *WORK PARTICIPATION.*—

11           (1) *IN GENERAL.*—Section 407(i) (42 U.S.C.  
12           607(i)) is amended to read as follows:

13           “(i) *VERIFICATION OF WORK AND WORK-ELIGIBLE IN-*  
14 *DIVIDUALS IN ORDER TO IMPLEMENT REFORMS.*—

15           “(1) *SECRETARIAL DIRECTION AND OVER-*  
16 *SIGHT.*—

17           “(A) *REGULATIONS FOR DETERMINING*  
18 *WHETHER ACTIVITIES MAY BE COUNTED AS*  
19 *‘WORK ACTIVITIES’, HOW TO COUNT AND VERIFY*  
20 *REPORTED HOURS OF WORK, AND DETERMINING*  
21 *WHO IS A WORK-ELIGIBLE INDIVIDUAL.*—

22           “(i) *IN GENERAL.*—Not later than  
23           June 30, 2006, the Secretary shall promul-  
24           gate regulations to ensure consistent meas-  
25           urement of work participation rates under

1            *State programs funded under this part and*  
2            *State programs funded with qualified State*  
3            *expenditures (as defined in section*  
4            *409(a)(7)(B)(i)), which shall include infor-*  
5            *mation with respect to—*

6                    *“(I) determining whether an ac-*  
7                    *tivity of a recipient of assistance may*  
8                    *be treated as a work activity under*  
9                    *subsection (d);*

10                   *“(II) uniform methods for report-*  
11                   *ing hours of work by a recipient of as-*  
12                   *sistance;*

13                   *“(III) the type of documentation*  
14                   *needed to verify reported hours of work*  
15                   *by a recipient of assistance; and*

16                   *“(IV) the circumstances under*  
17                   *which a parent who resides with a*  
18                   *child who is a recipient of assistance*  
19                   *should be included in the work partici-*  
20                   *pation rates.*

21                   *“(ii) ISSUANCE OF REGULATIONS ON*  
22                   *AN INTERIM FINAL BASIS.—The regulations*  
23                   *referred to in clause (i) may be effective and*  
24                   *final immediately on an interim basis as of*  
25                   *the date of publication of the regulations. If*

1           *the Secretary provides for an interim final*  
2           *regulation, the Secretary shall provide for a*  
3           *period of public comment on the regulation*  
4           *after the date of publication. The Secretary*  
5           *may change or revise the regulation after*  
6           *the public comment period.*

7           “(B) *OVERSIGHT OF STATE PROCEDURES.—*

8           *The Secretary shall review the State procedures*  
9           *established in accordance with paragraph (2) to*  
10          *ensure that such procedures are consistent with*  
11          *the regulations promulgated under subparagraph*  
12          *(A) and are adequate to ensure an accurate*  
13          *measurement of work participation under the*  
14          *State programs funded under this part and any*  
15          *other State programs funded with qualified State*  
16          *expenditures (as so defined).*

17          “(2) *REQUIREMENT FOR STATES TO ESTABLISH*

18          *AND MAINTAIN WORK PARTICIPATION VERIFICATION*

19          *PROCEDURES.—Not later than September 30, 2006, a*

20          *State to which a grant is made under section 403*

21          *shall establish procedures for determining, with re-*

22          *spect to recipients of assistance under the State pro-*

23          *gram funded under this part or under any State pro-*

24          *grams funded with qualified State expenditures (as so*

25          *defined), whether activities may be counted as work*

1 *activities, how to count and verify reported hours of*  
 2 *work, and who is a work-eligible individual, in ac-*  
 3 *cordance with the regulations promulgated pursuant*  
 4 *to paragraph (1)(A)(i) and shall establish internal*  
 5 *controls to ensure compliance with the procedures.”.*

6 *(2) STATE PENALTY FOR FAILURE TO ESTABLISH*  
 7 *OR COMPLY WITH WORK PARTICIPATION VERIFICATION*  
 8 *PROCEDURES.—Section 409(a) (42 U.S.C. 609(a)) is*  
 9 *amended by adding at the end the following:*

10 *“(15) PENALTY FOR FAILURE TO ESTABLISH OR*  
 11 *COMPLY WITH WORK PARTICIPATION VERIFICATION*  
 12 *PROCEDURES.—*

13 *“(A) IN GENERAL.—If the Secretary deter-*  
 14 *mines that a State to which a grant is made*  
 15 *under section 403 in a fiscal year has violated*  
 16 *section 407(i)(2) during the fiscal year, the Sec-*  
 17 *retary shall reduce the grant payable to the State*  
 18 *under section 403(a)(1) for the immediately suc-*  
 19 *ceeding fiscal year by an amount equal to not*  
 20 *less than 1 percent and not more than 5 percent*  
 21 *of the State family assistance grant.*

22 *“(B) PENALTY BASED ON SEVERITY OF*  
 23 *FAILURE.—The Secretary shall impose reduc-*  
 24 *tions under subparagraph (A) with respect to a*

1           *fiscal year based on the degree of noncompli-*  
 2           *ance.”.*

3           (d) *EFFECTIVE DATE.*—*The amendments made by*  
 4           *subsections (a) and (b) shall take effect on October 1, 2006.*

5           **SEC. 7103. GRANTS FOR HEALTHY MARRIAGE PROMOTION**  
 6                                   **AND RESPONSIBLE FATHERHOOD.**

7           (a) *HEALTHY MARRIAGE AND FAMILY FUNDS.*—*Sec-*  
 8           *tion 403(a)(2) (42 U.S.C. 603(a)(2)) is amended to read*  
 9           *as follows:*

10                           “(2) *HEALTHY MARRIAGE PROMOTION AND RE-*  
 11                           *SPONSIBLE FATHERHOOD GRANTS.*—

12                                   “(A) *IN GENERAL.*—

13   “(i) *USE OF FUNDS.*—*Subject to sub-*  
 14   *paragraphs (B) and (C), the Secretary may*  
 15   *use the funds made available under sub-*  
 16   *paragraph (D) for the purpose of con-*  
 17   *ducting and supporting research and dem-*  
 18   *onstration projects by public or private en-*  
 19   *tities, and providing technical assistance to*  
 20   *States, Indian tribes and tribal organiza-*  
 21   *tions, and such other entities as the Sec-*  
 22   *retary may specify that are receiving a*  
 23   *grant under another provision of this part.*

24   “(ii) *LIMITATIONS.*—*The Secretary*  
 25   *may not award funds made available under*

1            *this paragraph on a noncompetitive basis,*  
2            *and may not provide any such funds to an*  
3            *entity for the purpose of carrying out*  
4            *healthy marriage promotion activities or for*  
5            *the purpose of carrying out activities pro-*  
6            *moting responsible fatherhood unless the en-*  
7            *tity has submitted to the Secretary an ap-*  
8            *plication which—*

9            *“(I) describes—*

10            *“(aa) how the programs or*  
11            *activities proposed in the applica-*  
12            *tion will address, as appropriate,*  
13            *issues of domestic violence; and*

14            *“(bb) what the applicant will*  
15            *do, to the extent relevant, to en-*  
16            *sure that participation in the pro-*  
17            *grams or activities is voluntary,*  
18            *and to inform potential partici-*  
19            *pants that their participation is*  
20            *voluntary; and*

21            *“(II) contains a commitment by*  
22            *the entity—*

23            *“(aa) to not use the funds for*  
24            *any other purpose; and*

1                   “(bb) to consult with experts  
2                   in domestic violence or relevant  
3                   community domestic violence coa-  
4                   litions in developing the programs  
5                   and activities.

6                   “(iii) *HEALTHY MARRIAGE PROMOTION*  
7                   *ACTIVITIES.*—In clause (ii), the term  
8                   ‘healthy marriage promotion activities’  
9                   means the following:

10                   “(I) Public advertising campaigns  
11                   on the value of marriage and the skills  
12                   needed to increase marital stability  
13                   and health.

14                   “(II) Education in high schools  
15                   on the value of marriage, relationship  
16                   skills, and budgeting.

17                   “(III) Marriage education, mar-  
18                   riage skills, and relationship skills pro-  
19                   grams, that may include parenting  
20                   skills, financial management, conflict  
21                   resolution, and job and career advance-  
22                   ment, for non-married pregnant  
23                   women and non-married expectant fa-  
24                   thers.

1           “(IV) *Pre-marital education and*  
 2           *marriage skills training for engaged*  
 3           *couples and for couples or individuals*  
 4           *interested in marriage.*

5           “(V) *Marriage enhancement and*  
 6           *marriage skills training programs for*  
 7           *married couples.*

8           “(VI) *Divorce reduction programs*  
 9           *that teach relationship skills.*

10          “(VII) *Marriage mentoring pro-*  
 11          *grams which use married couples as*  
 12          *role models and mentors in at-risk*  
 13          *communities.*

14          “(VIII) *Programs to reduce the*  
 15          *disincentives to marriage in means-*  
 16          *tested aid programs, if offered in con-*  
 17          *junction with any activity described in*  
 18          *this subparagraph.*

19          “(B) *LIMITATION ON USE OF FUNDS FOR*  
 20          *DEMONSTRATION PROJECTS FOR COORDINATION*  
 21          *OF PROVISION OF CHILD WELFARE AND TANF*  
 22          *SERVICES TO TRIBAL FAMILIES AT RISK OF*  
 23          *CHILD ABUSE OR NEGLECT.—*

24                 “(i) *IN GENERAL.—Of the amounts*  
 25                 *made available under subparagraph (D) for*

1           *a fiscal year, the Secretary may not award*  
2           *more than \$2,000,000 on a competitive*  
3           *basis to fund demonstration projects de-*  
4           *signed to test the effectiveness of tribal gov-*  
5           *ernments or tribal consortia in coordinating*  
6           *the provision to tribal families at risk of*  
7           *child abuse or neglect of child welfare serv-*  
8           *ices and services under tribal programs*  
9           *funded under this part.*

10           “(i) *LIMITATION ON USE OF FUNDS.—*  
11           *A grant made pursuant to clause (i) to such*  
12           *a project shall not be used for any purpose*  
13           *other than—*

14                   “(I) *to improve case management*  
15                   *for families eligible for assistance from*  
16                   *such a tribal program;*

17                   “(II) *for supportive services and*  
18                   *assistance to tribal children in out-of-*  
19                   *home placements and the tribal fami-*  
20                   *lies caring for such children, including*  
21                   *families who adopt such children; and*

22                   “(III) *for prevention services and*  
23                   *assistance to tribal families at risk of*  
24                   *child abuse and neglect.*

1           “(iii) *REPORTS.*—*The Secretary may*  
2           *require a recipient of funds awarded under*  
3           *this subparagraph to provide the Secretary*  
4           *with such information as the Secretary*  
5           *deems relevant to enable the Secretary to fa-*  
6           *cilitate and oversee the administration of*  
7           *any project for which funds are provided*  
8           *under this subparagraph.*

9           “(C) *LIMITATION ON USE OF FUNDS FOR*  
10           *ACTIVITIES PROMOTING RESPONSIBLE FATHER-*  
11           *HOOD.*—

12           “(i) *IN GENERAL.*—*Of the amounts*  
13           *made available under subparagraph (D) for*  
14           *a fiscal year, the Secretary may not award*  
15           *more than \$50,000,000 on a competitive*  
16           *basis to States, territories, Indian tribes*  
17           *and tribal organizations, and public and*  
18           *nonprofit community entities, including re-*  
19           *ligious organizations, for activities pro-*  
20           *moting responsible fatherhood.*

21           “(ii) *ACTIVITIES PROMOTING RESPON-*  
22           *SIBLE FATHERHOOD.*—*In this paragraph,*  
23           *the term ‘activities promoting responsible*  
24           *fatherhood’ means the following:*

1           “(I) *Activities to promote mar-*  
2           *riage or sustain marriage through ac-*  
3           *tivities such as counseling, mentoring,*  
4           *disseminating information about the*  
5           *benefits of marriage and 2-parent in-*  
6           *volvement for children, enhancing rela-*  
7           *tionship skills, education regarding*  
8           *how to control aggressive behavior, dis-*  
9           *seminating information on the causes*  
10          *of domestic violence and child abuse,*  
11          *marriage preparation programs, pre-*  
12          *marital counseling, marital inven-*  
13          *tories, skills-based marriage education,*  
14          *financial planning seminars, including*  
15          *improving a family’s ability to effec-*  
16          *tively manage family business affairs*  
17          *by means such as education, coun-*  
18          *seling, or mentoring on matters related*  
19          *to family finances, including household*  
20          *management, budgeting, banking, and*  
21          *handling of financial transactions and*  
22          *home maintenance, and divorce edu-*  
23          *cation and reduction programs, includ-*  
24          *ing mediation and counseling.*

1           “(II) Activities to promote respon-  
2           sible parenting through activities such  
3           as counseling, mentoring, and medi-  
4           ation, disseminating information about  
5           good parenting practices, skills-based  
6           parenting education, encouraging child  
7           support payments, and other methods.

8           “(III) Activities to foster economic  
9           stability by helping fathers improve  
10          their economic status by providing ac-  
11          tivities such as work first services, job  
12          search, job training, subsidized employ-  
13          ment, job retention, job enhancement,  
14          and encouraging education, including  
15          career-advancing education, dissemina-  
16          tion of employment materials, coordi-  
17          nation with existing employment serv-  
18          ices such as welfare-to-work programs,  
19          referrals to local employment training  
20          initiatives, and other methods.

21          “(IV) Activities to promote re-  
22          sponsible fatherhood that are conducted  
23          through a contract with a nationally  
24          recognized, nonprofit fatherhood pro-  
25          motion organization, such as the devel-

1            *opment, promotion, and distribution of*  
2            *a media campaign to encourage the*  
3            *appropriate involvement of parents in*  
4            *the life of any child and specifically*  
5            *the issue of responsible fatherhood, and*  
6            *the development of a national clearing-*  
7            *house to assist States and communities*  
8            *in efforts to promote and support mar-*  
9            *riage and responsible fatherhood.*

10            “(D) *APPROPRIATION.*—*Out of any money*  
11            *in the Treasury of the United States not other-*  
12            *wise appropriated, there are appropriated*  
13            *\$150,000,000 for each of fiscal years 2006*  
14            *through 2010, for expenditure in accordance with*  
15            *this paragraph.*”.

16            (b) *COUNTING OF SPENDING ON CERTAIN PRO-FAMILY*  
17            *ACTIVITIES.*—*Section 409(a)(7)(B)(i) (42 U.S.C.*  
18            *609(a)(7)(B)(i)) is amended by adding at the end the fol-*  
19            *lowing:*

20            “(V) *COUNTING OF SPENDING ON*  
21            *CERTAIN PRO-FAMILY ACTIVITIES.*—  
22            *The term ‘qualified State expenditures’*  
23            *includes the total expenditures by the*  
24            *State during the fiscal year under all*  
25            *State programs for a purpose described*

1                   in paragraph (3) or (4) of section  
2                   401(a).”.

### 3                   **Subtitle B—Child Care**

#### 4   **SEC. 7201. ENTITLEMENT FUNDING.**

5           Section 418(a)(3) (42 U.S.C. 618(a)(3)) is amended—

6                   (1) by striking “and” at the end of subpara-  
7                   graph (E);

8                   (2) by striking the period at the end of subpara-  
9                   graph (F) and inserting a semicolon; and

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

11                           “(G) \$2,917,000,000 for each of fiscal years  
12                           2006 through 2010.”.

### 13                   **Subtitle C—Child Support**

#### 14   **SEC. 7301. ASSIGNMENT AND DISTRIBUTION OF CHILD SUP- 15                   PORT.**

16           (a) *MODIFICATION OF RULE REQUIRING ASSIGNMENT*  
17   *OF SUPPORT RIGHTS AS A CONDITION OF RECEIVING*  
18   *TANF.*—Section 408(a)(3) (42 U.S.C. 608(a)(3)) is amend-  
19   *ed to read as follows:*

20                   “(3) *NO ASSISTANCE FOR FAMILIES NOT ASSIGN-*  
21                   *ING CERTAIN SUPPORT RIGHTS TO THE STATE.*—A  
22                   *State to which a grant is made under section 403*  
23                   *shall require, as a condition of paying assistance to*  
24                   *a family under the State program funded under this*  
25                   *part, that a member of the family assign to the State*

1     *any right the family member may have (on behalf of*  
 2     *the family member or of any other person for whom*  
 3     *the family member has applied for or is receiving*  
 4     *such assistance) to support from any other person,*  
 5     *not exceeding the total amount of assistance so paid*  
 6     *to the family, which accrues during the period that*  
 7     *the family receives assistance under the program.”.*

8     **(b) INCREASING CHILD SUPPORT PAYMENTS TO FAMI-**  
 9     **LIES AND SIMPLIFYING CHILD SUPPORT DISTRIBUTION**  
 10    **RULES.—**

11           **(1) DISTRIBUTION RULES.—**

12                   **(A) IN GENERAL.—***Section 457(a) (42*  
 13                   *U.S.C. 657(a)) is amended to read as follows:*

14           **“(a) IN GENERAL.—***Subject to subsections (d) and (e),*  
 15     *the amounts collected on behalf of a family as support by*  
 16     *a State pursuant to a plan approved under this part shall*  
 17     *be distributed as follows:*

18                   **“(1) FAMILIES RECEIVING ASSISTANCE.—***In the*  
 19     *case of a family receiving assistance from the State,*  
 20     *the State shall—*

21                           **“(A) pay to the Federal Government the**  
 22                           *Federal share of the amount collected, subject to*  
 23                           *paragraph (3)(A);*

1           “(B) retain, or pay to the family, the State  
2 share of the amount collected, subject to para-  
3 graph (3)(B); and

4           “(C) pay to the family any remaining  
5 amount.

6           “(2) *FAMILIES THAT FORMERLY RECEIVED AS-*  
7 *SISTANCE.—In the case of a family that formerly re-*  
8 *ceived assistance from the State:*

9           “(A) *CURRENT SUPPORT.—To the extent*  
10 *that the amount collected does not exceed the cur-*  
11 *rent support amount, the State shall pay the*  
12 *amount to the family.*

13           “(B) *ARREARAGES.—Except as otherwise*  
14 *provided in an election made under section*  
15 *454(34), to the extent that the amount collected*  
16 *exceeds the current support amount, the State—*

17           “(i) *shall first pay to the family the*  
18 *excess amount, to the extent necessary to*  
19 *satisfy support arrearages not assigned pur-*  
20 *suant to section 408(a)(3);*

21           “(ii) *if the amount collected exceeds the*  
22 *amount required to be paid to the family*  
23 *under clause (i), shall—*

24           “(I) *pay to the Federal Govern-*  
25 *ment the Federal share of the excess*

1                   *amount described in this clause, subject*  
2                   *to paragraph (3)(A); and*

3                   “*(II) retain, or pay to the family,*  
4                   *the State share of the excess amount*  
5                   *described in this clause, subject to*  
6                   *paragraph (3)(B); and*

7                   “*(iii) shall pay to the family any re-*  
8                   *maining amount.*

9                   “*(3) LIMITATIONS.—*

10                  “*(A) FEDERAL REIMBURSEMENTS.—The*  
11                  *total of the amounts paid by the State to the*  
12                  *Federal Government under paragraphs (1) and*  
13                  *(2) of this subsection with respect to a family*  
14                  *shall not exceed the Federal share of the amount*  
15                  *assigned with respect to the family pursuant to*  
16                  *section 408(a)(3).*

17                  “*(B) STATE REIMBURSEMENTS.—The total*  
18                  *of the amounts retained by the State under para-*  
19                  *graphs (1) and (2) of this subsection with respect*  
20                  *to a family shall not exceed the State share of the*  
21                  *amount assigned with respect to the family pur-*  
22                  *suant to section 408(a)(3).*

23                  “*(4) FAMILIES THAT NEVER RECEIVED ASSIST-*  
24                  *ANCE.—In the case of any other family, the State*  
25                  *shall distribute to the family the portion of the*

1     *amount so collected that remains after withholding*  
 2     *any fee pursuant to section 454(6)(B)(ii).*

3             “(5) *FAMILIES UNDER CERTAIN AGREEMENTS.—*  
 4     *Notwithstanding paragraphs (1) through (3), in the*  
 5     *case of an amount collected for a family in accord-*  
 6     *ance with a cooperative agreement under section*  
 7     *454(33), the State shall distribute the amount col-*  
 8     *lected pursuant to the terms of the agreement.”.*

9             *(B) STATE OPTION TO PASS THROUGH AD-*  
 10     *DITIONAL SUPPORT WITH FEDERAL FINANCIAL*  
 11     *PARTICIPATION BEGINNING WITH FISCAL YEAR*  
 12     *2009.—*

13             *(i) IN GENERAL.—Section 457(a) (42*  
 14     *U.S.C. 657(a)) is amended by adding at the*  
 15     *end the following:*

16             “(7) *STATE OPTION TO PASS THROUGH ADDI-*  
 17     *TIONAL SUPPORT WITH FEDERAL FINANCIAL PARTICI-*  
 18     *PATION.—*

19             “(A) *FAMILIES THAT FORMERLY RECEIVED*  
 20     *ASSISTANCE.—Notwithstanding paragraph (2), a*  
 21     *State shall not be required to pay to the Federal*  
 22     *Government the Federal share of an amount col-*  
 23     *lected on behalf of a family that formerly re-*  
 24     *ceived assistance from the State to the extent that*  
 25     *the State pays the amount to the family.*

1                   “(B) *FAMILIES THAT CURRENTLY RECEIVE*  
2                   *ASSISTANCE.—*

3                   “(i) *IN GENERAL.—Notwithstanding*  
4                   *paragraph (1), in the case of a family that*  
5                   *receives assistance from the State, a State*  
6                   *shall not be required to pay to the Federal*  
7                   *Government the Federal share of the ex-*  
8                   *cepted portion (as defined in clause (ii)) of*  
9                   *any amount collected on behalf of such fam-*  
10                   *ily during a month to the extent that—*

11                   “(I) *the State pays the excepted*  
12                   *portion to the family; and*

13                   “(II) *the excepted portion is dis-*  
14                   *regarded in determining the amount*  
15                   *and type of assistance provided to the*  
16                   *family under such program.*

17                   “(ii) *EXCEPTED PORTION DEFINED.—*  
18                   *For purposes of this subparagraph, the term*  
19                   *“excepted portion” means that portion of*  
20                   *the amount collected on behalf of a family*  
21                   *during a month that does not exceed \$100*  
22                   *per month, or in the case of a family that*  
23                   *includes 2 or more children, that does not*  
24                   *exceed an amount established by the State*  
25                   *that is not more than \$200 per month.”.*

1                   (ii) *EFFECTIVE DATE.*—*The amend-*  
 2                   *ment made by clause (i) shall take effect on*  
 3                   *October 1, 2008.*

4                   (iii) *REDESIGNATION.*—*Effective Octo-*  
 5                   *ber 1, 2009, paragraph (7) of section 457(a)*  
 6                   *of the Social Security Act (as added by*  
 7                   *clause (i)) is redesignated as paragraph (6).*

8                   (C) *STATE PLAN TO INCLUDE ELECTION AS*  
 9                   *TO WHICH RULES TO APPLY IN DISTRIBUTING*  
 10                   *CHILD SUPPORT ARREARAGES COLLECTED ON*  
 11                   *BEHALF OF FAMILIES FORMERLY RECEIVING AS-*  
 12                   *SISTANCE.*—*Section 454 (42 U.S.C. 654) is*  
 13                   *amended—*

14                   (i) *by striking “and” at the end of*  
 15                   *paragraph (32);*

16                   (ii) *by striking the period at the end of*  
 17                   *paragraph (33) and inserting “; and”; and*

18                   (iii) *by inserting after paragraph (33)*  
 19                   *the following:*

20                   “(34) *include an election by the State to apply*  
 21                   *section 457(a)(2)(B) of this Act or former section*  
 22                   *457(a)(2)(B) of this Act (as in effect for the State im-*  
 23                   *mediately before the date this paragraph first applies*  
 24                   *to the State) to the distribution of the amounts which*  
 25                   *are the subject of such sections and, for so long as the*

1     *State elects to so apply such former section, the*  
 2     *amendments made by subsection (b)(1) of section*  
 3     *7301 of the Deficit Reduction Act of 2005 shall not*  
 4     *apply with respect to the State, notwithstanding sub-*  
 5     *section (e) of such section 7301.”.*

6             (2) *CURRENT SUPPORT AMOUNT DEFINED.—Sec-*  
 7     *tion 457(c) (42 U.S.C. 657(c)) is amended by adding*  
 8     *at the end the following:*

9             “(5) *CURRENT SUPPORT AMOUNT.—The term*  
 10     *‘current support amount’ means, with respect to*  
 11     *amounts collected as support on behalf of a family,*  
 12     *the amount designated as the monthly support obliga-*  
 13     *tion of the noncustodial parent in the order requiring*  
 14     *the support or calculated by the State based on the*  
 15     *order.”.*

16            (c) *STATE OPTION TO DISCONTINUE OLDER SUPPORT*  
 17     *ASSIGNMENTS.—Section 457(b) (42 U.S.C. 657(b)) is*  
 18     *amended to read as follows:*

19            “(b) *CONTINUATION OF ASSIGNMENTS.—*

20            “(1) *STATE OPTION TO DISCONTINUE PRE-1997*  
 21     *SUPPORT ASSIGNMENTS.—*

22            “(A) *IN GENERAL.—Any rights to support*  
 23     *obligations assigned to a State as a condition of*  
 24     *receiving assistance from the State under part A*  
 25     *and in effect on September 30, 1997 (or such*

1           *earlier date on or after August 22, 1996, as the*  
 2           *State may choose), may remain assigned after*  
 3           *such date.*

4           “(B) *DISTRIBUTION OF AMOUNTS AFTER AS-*  
 5           *SIGNMENT DISCONTINUATION.—If a State chooses*  
 6           *to discontinue the assignment of a support obli-*  
 7           *gation described in subparagraph (A), the State*  
 8           *may treat amounts collected pursuant to the as-*  
 9           *signed and may distribute the amounts to the*  
 10           *family in accordance with subsection (a)(4).*

12           “(2) *STATE OPTION TO DISCONTINUE POST-1997*  
 13           *ASSIGNMENTS.—*

14           “(A) *IN GENERAL.—Any rights to support*  
 15           *obligations accruing before the date on which a*  
 16           *family first receives assistance under part A that*  
 17           *are assigned to a State under that part and in*  
 18           *effect before the implementation date of this sec-*  
 19           *tion may remain assigned after such date.*

20           “(B) *DISTRIBUTION OF AMOUNTS AFTER AS-*  
 21           *SIGNMENT DISCONTINUATION.—If a State chooses*  
 22           *to discontinue the assignment of a support obli-*  
 23           *gation described in subparagraph (A), the State*  
 24           *may treat amounts collected pursuant to the as-*  
 25           *signed and may distribute the amounts to the*

1           *signed and may distribute the amounts to the*  
2           *family in accordance with subsection (a)(4).”.*

3           (d) *CONFORMING AMENDMENTS.*—Section 6402(c) of  
4 *the Internal Revenue Code of 1986 (relating to offset of past-*  
5 *due support against overpayments) is amended—*

6           (1) *in the first sentence, by striking “the Social*  
7 *Security Act.” and inserting “of such Act.”; and*

8           (2) *by striking the third sentence and inserting*  
9 *the following: “The Secretary shall apply a reduction*  
10 *under this subsection first to an amount certified by*  
11 *the State as past due support under section 464 of the*  
12 *Social Security Act before any other reductions al-*  
13 *lowed by law.”.*

14           (e) *EFFECTIVE DATE.*—

15           (1) *IN GENERAL.*—*Except as otherwise provided*  
16 *in this section, the amendments made by the pre-*  
17 *ceding provisions of this section shall take effect on*  
18 *October 1, 2009, and shall apply to payments under*  
19 *parts A and D of title IV of the Social Security Act*  
20 *for calendar quarters beginning on or after such date,*  
21 *and without regard to whether regulations to imple-*  
22 *ment the amendments (in the case of State programs*  
23 *operated under such part D) are promulgated by such*  
24 *date.*

1           (2) *STATE OPTION TO ACCELERATE EFFECTIVE*  
 2           *DATE.*—*Notwithstanding paragraph (1), a State may*  
 3           *elect to have the amendments made by the preceding*  
 4           *provisions of this section apply to the State and to*  
 5           *amounts collected by the State (and the payments*  
 6           *under parts A and D), on and after such date as the*  
 7           *State may select that is not earlier than October 1,*  
 8           *2008, and not later than September 30, 2009.*

9           (f) *USE OF TAX REFUND INTERCEPT PROGRAM TO*  
 10          *COLLECT PAST-DUE CHILD SUPPORT ON BEHALF OF*  
 11          *CHILDREN WHO ARE NOT MINORS.*—

12           (1) *IN GENERAL.*—*Section 464 (42 U.S.C. 664)*  
 13          *is amended—*

14                   (A) *in subsection (a)(2)(A), by striking “(as*  
 15                   *that term is defined for purposes of this para-*  
 16                   *graph under subsection (c))”;* and

17                   (B) *in subsection (c)—*

18                           (i) *in paragraph (1)—*

19                                   (I) *by striking “(1) Except as*  
 20                                   *provided in paragraph (2), as used in”*  
 21                                   *and inserting “In”;* and

22                                   (II) *by inserting “(whether or not*  
 23                                   *a minor)” after “a child” each place it*  
 24                                   *appears; and*

1                   (ii) by striking paragraphs (2) and  
2                   (3).

3                   (2) *EFFECTIVE DATE.*—*The amendments made*  
4                   *by paragraph (1) shall take effect on October 1, 2007.*

5                   (g) *STATE OPTION TO USE STATEWIDE AUTOMATED*  
6 *DATA PROCESSING AND INFORMATION RETRIEVAL SYSTEM*  
7 *FOR INTERSTATE CASES.*—*Section 466(a)(14)(A)(iii) (42*  
8 *U.S.C. 666(a)(14)(A)(iii)) is amended by inserting before*  
9 *the semicolon the following: “(but the assisting State may*  
10 *establish a corresponding case based on such other State’s*  
11 *request for assistance)”.*

12 **SEC. 7302. MANDATORY REVIEW AND ADJUSTMENT OF**  
13 **CHILD SUPPORT ORDERS FOR FAMILIES RE-**  
14 **CEIVING TANF.**

15                   (a) *IN GENERAL.*—*Section 466(a)(10)(A)(i) (42*  
16 *U.S.C. 666(a)(10)(A)(i)) is amended—*

17                   (1) *by striking “parent, or,” and inserting “par-*  
18 *ent or”;* *and*

19                   (2) *by striking “upon the request of the State*  
20 *agency under the State plan or of either parent,”.*

21                   (b) *EFFECTIVE DATE.*—*The amendments made by sub-*  
22 *section (a) shall take effect on October 1, 2007.*

1 **SEC. 7303. DECREASE IN AMOUNT OF CHILD SUPPORT AR-**  
 2 **REARAGE TRIGGERING PASSPORT DENIAL.**

3 (a) *IN GENERAL.*—Section 452(k)(1) (42 U.S.C.  
 4 652(k)(1)) is amended by striking “\$5,000” and inserting  
 5 “\$2,500”.

6 (b) *CONFORMING AMENDMENT.*—Section 454(31) (42  
 7 U.S.C. 654(31)) is amended by striking “\$5,000” and in-  
 8 serting “\$2,500”.

9 (c) *EFFECTIVE DATE.*—The amendments made by this  
 10 section shall take effect on October 1, 2006.

11 **SEC. 7304. MAINTENANCE OF TECHNICAL ASSISTANCE**  
 12 **FUNDING.**

13 Section 452(j) (42 U.S.C. 652(j)) is amended by insert-  
 14 ing “or the amount appropriated under this paragraph for  
 15 fiscal year 2002, whichever is greater” before “, which shall  
 16 be available”.

17 **SEC. 7305. MAINTENANCE OF FEDERAL PARENT LOCATOR**  
 18 **SERVICE FUNDING.**

19 Section 453(o) (42 U.S.C. 653(o)) is amended—

20 (1) in the first sentence, by inserting “or the  
 21 amount appropriated under this paragraph for fiscal  
 22 year 2002, whichever is greater” before “, which shall  
 23 be available”; and

24 (2) in the second sentence, by striking “for each  
 25 of fiscal years 1997 through 2001”.

1 **SEC. 7306. INFORMATION COMPARISONS WITH INSURANCE**

2 **DATA.**

3 (a) *DUTIES OF THE SECRETARY.*—Section 452 (42  
4 U.S.C. 652) is amended by adding at the end the following:

5 “(l) *COMPARISONS WITH INSURANCE INFORMATION.*—

6 “(1) *IN GENERAL.*—The Secretary, through the  
7 *Federal Parent Locator Service, may—*

8 “(A) *compare information concerning indi-*  
9 *viduals owing past-due support with informa-*  
10 *tion maintained by insurers (or their agents)*  
11 *concerning insurance claims, settlements,*  
12 *awards, and payments; and*

13 “(B) *furnish information resulting from the*  
14 *data matches to the State agencies responsible for*  
15 *collecting child support from the individuals.*

16 “(2) *LIABILITY.*—An insurer (including any  
17 agent of an insurer) shall not be liable under any  
18 Federal or State law to any person for any disclosure  
19 provided for under this subsection, or for any other  
20 action taken in good faith in accordance with this  
21 subsection.”.

22 (b) *STATE REIMBURSEMENT OF FEDERAL COSTS.*—  
23 Section 453(k)(3) (42 U.S.C. 653(k)(3)) is amended by in-  
24 serting “or section 452(l)” after “pursuant to this section”.

1 **SEC. 7307. REQUIREMENT THAT STATE CHILD SUPPORT EN-**  
 2 **FORCEMENT AGENCIES SEEK MEDICAL SUP-**  
 3 **PORT FOR CHILDREN FROM EITHER PARENT.**

4 (a) *STATE AGENCIES REQUIRED TO SEEK MEDICAL*  
 5 *SUPPORT FROM EITHER PARENT.*—

6 (1) *IN GENERAL.*—Section 466(a)(19)(A) (42  
 7 U.S.C. 666(a)(19)(A)) is amended by striking “which  
 8 include a provision for the health care coverage of the  
 9 child are enforced” and inserting “shall include a  
 10 provision for medical support for the child to be pro-  
 11 vided by either or both parents, and shall be en-  
 12 forced”.

13 (2) *CONFORMING AMENDMENTS.*—

14 (A) *TITLE IV—D.*—

15 (i) Section 452(f) (42 U.S.C. 652(f)) is  
 16 amended by striking “include medical sup-  
 17 port as part of any child support order and  
 18 enforce medical support” and inserting “en-  
 19 force medical support included as part of a  
 20 child support order”.

21 (ii) Section 466(a)(19) (42 U.S.C.  
 22 666(a)(19)), as amended by paragraph (1)  
 23 of this subsection, is amended—

24 (I) in subparagraph (A)—

1                   (aa) by striking “section  
2                   401(e)(3)(C)” and inserting “sec-  
3                   tion 401(e)”;

4                   (bb) by striking “section  
5                   401(f)(5)(C)” and inserting “sec-  
6                   tion 401(f)”;

7                   (II) in subparagraph (B)—

8                   (aa) by striking “noncusto-  
9                   dial” each place it appears; and

10                  (bb) in clause (iii), by strik-  
11                  ing “section 466(b)” and inserting  
12                  “subsection (b)”;

13                  (III) in subparagraph (C), by  
14                  striking “noncustodial” each place it  
15                  appears and inserting “obligated”.

16                  (B) STATE OR LOCAL GOVERNMENTAL  
17                  GROUP HEALTH PLANS.—Section 401(e)(2) of the  
18                  Child Support Performance and Incentive Act of  
19                  1998 (29 U.S.C. 1169 note) is amended, in the  
20                  matter preceding subparagraph (A), by striking  
21                  “who is a noncustodial parent of the child”.

22                  (C) CHURCH PLANS.—Section 401(f)(5)(C)  
23                  of the Child Support Performance and Incentive  
24                  Act of 1998 (29 U.S.C. 1169 note) is amended by  
25                  striking “noncustodial” each place it appears.

1           (b) *ENFORCEMENT OF MEDICAL SUPPORT REQUIRE-*  
 2 *MENTS.*—Section 452(f) (42 U.S.C. 652(f)), as amended by  
 3 subsection (a)(2)(A)(i), is amended by inserting after the  
 4 first sentence the following: “A State agency administering  
 5 the program under this part may enforce medical support  
 6 against a custodial parent if health care coverage is avail-  
 7 able to the custodial parent at a reasonable cost, notwith-  
 8 standing any other provision of this part.”.

9           (c) *DEFINITION OF MEDICAL SUPPORT.*—Section  
 10 452(f) (42 U.S.C. 652(f)), as amended by subsections  
 11 (a)(2)(A)(i) and (b) of this section, is amended by adding  
 12 at the end the following: “For purposes of this part, the  
 13 term ‘medical support’ may include health care coverage,  
 14 such as coverage under a health insurance plan (including  
 15 payment of costs of premiums, co-payments, and  
 16 deductibles) and payment for medical expenses incurred on  
 17 behalf of a child.”.

18 **SEC. 7308. REDUCTION OF FEDERAL MATCHING RATE FOR**  
 19 **LABORATORY COSTS INCURRED IN DETER-**  
 20 **MINING PATERNITY.**

21           (a) *IN GENERAL.*—Section 455(a)(1)(C) (42 U.S.C.  
 22 655(a)(1)(C)) is amended by striking “90 percent (rather  
 23 than the percentage specified in subparagraph (A))” and  
 24 inserting “66 percent”.

1       (b) *EFFECTIVE DATE.*—The amendment made by sub-  
 2 section (a) shall take effect on October 1, 2006, and shall  
 3 apply to costs incurred on or after that date.

4       **SEC. 7309. ENDING FEDERAL MATCHING OF STATE SPEND-**  
 5                                   **ING OF FEDERAL INCENTIVE PAYMENTS.**

6       (a) *IN GENERAL.*—Section 455(a)(1) (42 U.S.C.  
 7 655(a)(1)) is amended by inserting “from amounts paid to  
 8 the State under section 458 or” before “to carry out an  
 9 agreement”.

10       (b) *EFFECTIVE DATE.*—The amendment made by sub-  
 11 section (a) shall take effect on October 1, 2007.

12       **SEC. 7310. MANDATORY FEE FOR SUCCESSFUL CHILD SUP-**  
 13                                   **PORT COLLECTION FOR FAMILY THAT HAS**  
 14                                   **NEVER RECEIVED TANF.**

15       (a) *IN GENERAL.*—Section 454(6)(B) (42 U.S.C.  
 16 654(6)(B)) is amended—

17               (1) by inserting “(i)” after “(B)”;

18               (2) by redesignating clauses (i) and (ii) as sub-  
 19 clauses (I) and (II), respectively;

20               (3) by adding “and” after the semicolon; and

21               (4) by adding after and below the end the fol-  
 22 lowing new clause:

23                       “(i) in the case of an individual who has  
 24                       never received assistance under a State program  
 25                       funded under part A and for whom the State has

1           *collected at least \$500 of support, the State shall*  
2           *impose an annual fee of \$25 for each case in*  
3           *which services are furnished, which shall be re-*  
4           *tained by the State from support collected on be-*  
5           *half of the individual (but not from the 1st \$500*  
6           *so collected), paid by the individual applying for*  
7           *the services, recovered from the absent parent, or*  
8           *paid by the State out of its own funds (the pay-*  
9           *ment of which from State funds shall not be con-*  
10          *sidered as an administrative cost of the State for*  
11          *the operation of the plan, and the fees shall be*  
12          *considered income to the program);”.*

13          **(b) CONFORMING AMENDMENTS.**—*Section 457(a)(3)*  
14 *(42 U.S.C. 657(a)(3)) is amended to read as follows:*

15                 **“(3) FAMILIES THAT NEVER RECEIVED ASSIST-**  
16                 **ANCE.**—*In the case of any other family, the State*  
17                 *shall distribute to the family the portion of the*  
18                 *amount so collected that remains after withholding*  
19                 *any fee pursuant to section 454(6)(B)(ii).”.*

20          **(c) EFFECTIVE DATE.**—*The amendments made by this*  
21 *section shall take effect on October 1, 2006.*

1 **SEC. 7311. EXCEPTION TO GENERAL EFFECTIVE DATE FOR**  
 2 **STATE PLANS REQUIRING STATE LAW AMEND-**  
 3 **MENTS.**

4 *In the case of a State plan under part D of title IV*  
 5 *of the Social Security Act which the Secretary determines*  
 6 *requires State legislation in order for the plan to meet the*  
 7 *additional requirements imposed by the amendments made*  
 8 *by this subtitle, the effective date of the amendments impos-*  
 9 *ing the additional requirements shall be 3 months after the*  
 10 *first day of the first calendar quarter beginning after the*  
 11 *close of the first regular session of the State legislature that*  
 12 *begins after the date of the enactment of this Act. For pur-*  
 13 *poses of the preceding sentence, in the case of a State that*  
 14 *has a 2-year legislative session, each year of the session shall*  
 15 *be considered to be a separate regular session of the State*  
 16 *legislature.*

17 ***Subtitle D—Child Welfare***

18 **SEC. 7401. STRENGTHENING COURTS.**

19 *(a) COURT IMPROVEMENT GRANTS.—*

20 *(1) IN GENERAL.—Section 438(a) (42 U.S.C.*  
 21 *629h(a)) is amended—*

22 *(A) by striking “and” at the end of para-*  
 23 *graph (1);*

24 *(B) by striking the period at the end of*  
 25 *paragraph (2) and inserting a semicolon; and*

26 *(C) by adding at the end the following:*