U.S. Department of Justice

Office of Policy and Communications

Office of Policy Development

Washington, D.C. 20530

September 25, 1992

MEMORANDUM

TO: Carol Aarhus

FROM: Stacey Sovereign

SUBJECT: Deadbeat Dads

Pursuant to your request, enclosed is some information regarding the Administration's activities in the area of child support enforcement as well as a few background articles. The enclosed includes the following:

(1) Child Support Enforcement: Fifteenth Annual Report to Congress for the Period Ending September 30, 1990 Department of Health and Human Services, Administration for Children and Families, Office of Child Support Enforcement. This is the most recent report to Congress from OCSE. The report provides extensive information regarding the accomplishments of the office in FY '90.

(2) Fact sheets from OCSE for FY '91. This information will appear in the Sixteenth Annual Report from OCSE to Congress. Note that under the Child Support Enforcement Program, from FY '90 to FY '91 (1) total collections increased 14.5 percent; (2) total absent parents located increased 25 percent; and (3) total paternities established increased 21.8 percent.

(3) Copies of selected chapters of Supporting Our Children: A Blueprint for Reform, the report from the U.S. Commission on Interstate Child Support to Congress. These excerpts are from an advance copy of the report we obtained from the Commission last week. As far as we

know, the Commission has not yet submitted the report to Congress.

(4) Steven Waldman, Deadbeat Dads, Newsweek, May 4, 1992.

(5) Mimi Hall, Poster Parents: On the Lam, USA Today, May 14, 1991.

(6) Tamar Lewin, New Tools for States Bolster Collection of Child Support, N.Y. Times, June 15, 1991.

(7) Lori Silver, Full Child Support: Small Steps, L.A. Times, Jan. 23, 1989.

(8) Spencer Rich, 50% Falling Short on Child Support, Wash. Post, Oct. 11, 1991.

(9) Parents on the Lam, Wash. Post, Feb. 2, 1990.

(10) "A record $6 billion was collected in 1990 from absent parents on behalf of their children through the child support enforcement program." Secretary Louis Sullivan, Fed. News Service, April 29, 1992, National Press Club Lunch Speech

I hope this information is helpful. Give me a call if I can be of any further assistance.

S.L.S.

Dith Pran/The New York Times

3,000 Voices N.Y. times Jun 15, 1991 p1 col 3

from countries taking part in the largest naturalization ceremony in New York City since 1954. Page 25.

Consumer Index Up Only 0.3%; Output Higher

By LOUIS UCHITELLE

In another batch of favorable data, the Government reported yesterday that the economy appeared to be growing again without pushing up the inflation rate. Most economists consider that combination essential if the nation is to shake off the recession.

The Consumer Price Index rose in May by only three-tenths of 1 percent, the Labor Department said. When combined with other modest increases this year, the May rise suggests an annual inflation rate below 3 percent, or less than half of last year's 6.1 percent.

"From a policy maker's point of view, the inflation numbers are good, and they look to continue good for the foreseeable future," said Patrick Jackman, chief of the group of economists who gather inflation data at the Labor Department's Bureau of Labor Statistics.

Effect on Interest Rates

His reference was to the Federal Reserve's 5 sitting governors and 12 regional bank presidents, a policy-making group that tends to raise interest rates and discourage economic activity — provoking or prolonging a recession — whenever inflation appears to be rising. The Federal Reserve had lowered rates through April, to stimulate the economy, but has not acted since.

The favorable economic news helped push up stock prices yesterday, with the Dow Jones industrial average rising 35.33, to 3,008.45. [Page 35.]

The Government also reported yesterday that industrial production rose in May for the second consecutive month, by a hefty five-tenths of 1 percent, and business inventories declined in April, as retailers, wholesalers and

Continued on Page 46, Column 4

New Tools for States Bolster Collection of Child Support

By TAMAR LEWIN

Aided by new laws and an infusion of Federal money, state child-support enforcement agencies around the country have become far more aggressive at collecting child support.

Since the enactment of the Family Support Act of 1988, states have become more aggressively involved in collecting court-ordered child support awards, taking in a record $6 billion in 1990. And, according to one recent survey, the average amount of court-ordered child support has increased about 50 percent, to $80 a week. New mechanisms are in place for garnisheeing the wages of parents who owe child-support payments, and most states have started issuing their own "Most Wanted" lists, or staging roundups to arrest parents who fail to pay. Such tactics generate a wave of payments not only from the people singled out but also from others who wish to avoid negative publicity.

All states must now report delinquent parents' debts to credit agencies. A few states are experimenting with reporting child-support debts to the state licensing boards that regulate doctors, lawyers, plumbers, hairdressers and others.

But there is still a long way to go before children whose parents divorced, or never married, can be assured of receiving support from their noncustodial parent — the father, in 9 out of 10 cases.

Delinquent Almost Captured

The odyssey of Gregory Morey Sr. is a case in point.

Mr. Morey was ordered to pay $600 a month to support his three small children when he and his wife divorced 10 years ago. But he never paid a penny, Arizona child-support officials say, and he has repeatedly foiled their efforts to find him and recover what has become a $74,000 debt.

"He's a perfect illustration of the problems we face," said Ray Weaver, director of Arizona's child-support enforcement office. "He's changed his Social Security number four times, he's changed the spelling of his name, and

Continued on Page 9, Column 1

Doubts Verdict Will Stand Up

Prosecutors Face Strict Review of Testimony

By DAVID JOHNSTON

Special to The New York Times

WASHINGTON, June 14 — In remarks suggesting he was deeply skeptical that the guilty verdicts against Oliver L. North could be salvaged, the Federal district judge who presided over Mr. North's trial in the Iran-contra affair said today that prosecutors might have no alternative but to abandon the case.

The judge, Gerhard A. Gesell, said that if he found that any of the witnesses in the North trial had been influenced by the testimony that the former aide to the National Security Council gave to Congress under a grant of immunity, he would throw out the remaining criminal convictions against Mr. North. Mr. North's conviction has stood as one of the main accomplishments of the special prosecutor, Lawrence E. Walsh, in the four-and-a-half year inquiry into the Iran-contra affair.

Change in Judicial Tone

"You must realize that there is a very slight possibility that the ablest group of lawyers in the world could meet the standard of the court of appeals," Judge Gesell said at a hearing, referring to an appeals court decision that forced prosecutors to seek another hearing to prove that Mr. North received a fair trial. "I don't believe there's anyone I know of who could."

The judge's tone seemed dramatically changed from two years ago, when he sentenced Mr. North saying that the former security council aide under President Ronald Reagan failed to understand "how public service has been tarnished" by his acts. Today, the gruff white-haired jurist expressed admiration for Mr. North.

"I'm sure you realize that the defendant has not only been long under the gun of the existence of this litigation," the Judge told Michael R. Bromwich, a member of the prosecution team who was representing the Iran-contra independent prosecutor's office.

"But he has served part of his sentence, he served it early, with distinction, conscientiously and it's highly to his credit," said the judge. He was referring to Mr. North's performance of the 1,200 hours of community service at a Washington anti-drug program. Mr. North, a former Marine Corps lieutenant colonel, was not at the hearing.

Mr. Walsh asked for today's hearing after the Supreme Court last month refused to consider whether to reinstate the criminal convictions against Mr. North.

'Witness by Witness' Review

The Justices let stand a ruling by the United States Court of Appeals for the District of Columbia Circuit in 1990 that ordered prosecutors to conduct a "witness by witness" review of the testimony against Mr. North to assure that none of his statements at a Congressional hearing into the Iran-contra

Continued on Page 10, Column 3

MAY BE CONCEALING NUCLEAR MATERIAL

NEW INSPECTIONS ARE SET

Defector Said to Report Arms Potential Exceeding That Disclosed by Baghdad

By PAUL LEWIS

Special to The New York Times

UNITED NATIONS, June 14 — United Nations officials said today that they had intelligence information indicating that Iraq has tried to mislead the United Nations by understating its nuclear weapons program and the amount of weapons-grade nuclear material it possesses.

As a result, the special commission appointed by the Security Council to oversee the destruction or removal of Iraq's chemical and biological arms and its nuclear weapons materials has ordered its experts to make new inspections of undisclosed nuclear sites in Iraq next week.

The inspections were ordered after the United States provided the commission with fresh intelligence from an Iraqi nuclear scientist who defected more than a week ago to American forces occupying an enclave in northern Iraq.

Information From Defector

In Washington, Government officials who follow the Iraqi nuclear program said the defector had reported that Iraq had eight primary sites for nuclear research and development, three of which were bombed extensively by the American-led military coalition in the Persian Gulf war.

Most of the defector's reports remain unproven and will require additional investigation, the officials said.

United Nations officials said they had been told that the Iraqi defector reported that Iraq has been trying to manufacture weapons-grade uranium using an old-fashioned technique called magnetic isotope separation, which the United States experimented with but abandoned while it was developing the world's first atomic bomb toward the end of World War II.

Plant Near Mosul Reported

A plant for this purpose was said to exist in a secret underground site in the mountains not far from the northern Iraqi city of Mosul.

The defector also said there were several other secret nuclear sites unknown to outsiders, officials here said.

A United States official, citing intelligence reports, said Iraq's nuclear weapons program had nevertheless been judged by analysts to have been more primitive than many feared.

Some of the eight sites may have been spared extensive bombing because they were not regarded as critical to the nation's nuclear-weapons effort, an official said today. Still, he said, "it's a very major concern that we did-

Continued on Page 4, Column 3

's Prosperity Postwar Years

Edgy Outpost

Life in the Falklands

A special report.

after Argentina invaded and occupied these remote islands it calls the Malvinas for two and a half months, only to surrender on June 14, 1982, to a British counterinvasion.

In fact, with the departure of Prime

President Zachary Taylor's Body To Be Tested for Signs of Arsenic

By MICHEL MARRIOTT

With tweezers and scissors in hand, the county coroner in Louisville, Ky., plans to peer into the crypt of Zachary Taylor, the 12th President of the United States, soon and comb the old general's remains for clues about his sudden illness and rapid death almost 141 years ago.

The cause of death, diagnosed at the time as cholera morbus, or gastroenteritis, may well have been arsenic poisoning, says Clara Rising, a Florida-

New Tools Help States to Collect Child Support

Continued From Page 1

he's worked in six different Western states."

Last month, after a national organization of child-support officials put out a "Most Wanted" poster of the worst child-support offenders from 22 states, Mr. Weaver almost caught Mr. Morey.

"We opened our doors at 8 A.M. on the day that USA Today ran a story on the national 'Most Wanted' list, and by 8:30 we knew where he was," said Mr. Weaver. "He was working as a restaurant manager in Utah, and we got a call from his employer. We tried to move quickly, but by the time we got legal process up there, he was gone. We do have some new leads to follow, though."

As of the end of 1989, more than $18 billion in accumulated support, covering more than 16 million children, was still unpaid.

The Census Bureau estimated that in 1987, the last year for which it has analyzed the data, almost a third of all court-awarded child support, or $4.6 billion, went unpaid, and experts say the soon-to-be-released 1989 estimate will show little change.

Child support is an issue for millions of families: one in four American children under the age of 18 now lives in a single-parent family. And with one in five American children living in poverty, politicians and social policy experts alike have become increasingly concerned with trying to assure that both parents assume financial responsibility for their children.

Crucial for Dependents

"Child-support payments can be the difference between dependence on welfare and economic independence," said David Siegel, a spokesman for the Administration for Children and Families, the Federal agency that oversees child-support enforcement in public assistance cases and those where the custodial parent has requested help in collecting an award. "Our goal is to support parental responsibility and make sure that children get the support they're legally entitled to."

In the Morey case, as in many others, the father's failure to pay child support pushed the family into poverty, and, for a while, onto welfare. Mr. Morey's former wife, Susan Aldrich, said she and the three children — Heather, 16, Greg Jr., 14, and Adrienne, 12 — had never received a penny of the $600-a-month child support Mr. Morey was ordered to pay when the couple divorced in 1981.

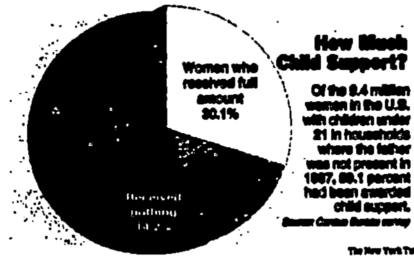
"We were evicted and the utilities were cut off, and I was so down on my luck that I was afraid I would have to give the children up for them to eat and have a home," said Mrs. Aldrich.

She remarried six years ago. "Now my husband supports us all, and his own son," she said, "but he's a technical instructor, which is not a high-paying job, and even with him working two shifts, the budget's tight. I've located Greg eight or nine times in the last 10 years, but each time he's been made aware that he's been located, he picks up and moves."

The Keers for The New York Times

"I was afraid I would have to give the children up for them to eat and have a home," said Susan Aldrich, left, who was pushed into poverty when her former husband, Gregory Morey Sr., failed to pay child support. With her were her children, Greg Jr., 14 years old, Adrienne, 12, and Heather, 16.

Revised laws and 'Most Wanted' lists are getting results.



Major Enforcement Hurdle

Collecting child support from delinquents who have crossed state lines is now one of the biggest problems in the system, according to enforcement officials and children's advocates.

Margaret Campbell Haynes, chairwoman of the United States Commission on Interstate Child Support, estimates that as many as 30 percent of all cases may involve an out-of-state parent, although less than 10 percent of all money collected comes from out of state. The commission, created by the Family Support Act, plans to offer recommendations early next year on improving the system.

Meanwhile, Representative Henry J. Hyde, Republican of Illinois, and Senator Richard C. Shelby, Democrat of Alabama, have introduced legislation that would make it a Federal crime to flee to another state to avoid child-support obligations.

Over the last six years, Congress has pushed the states to improve child-support enforcement, largely in an effort to reduce welfare payments to poor children who are not receiving support from their parents.

Federal laws now allow child-support enforcement officials — who are welfare officials in most states, but part of the attorney general's office or the tax department in others — to intercept tax refund checks and garnishee the wages of parents who owe child support.

Problem With Garnishment

But these tactics have not been entirely successful: garnishment, for example, tends to break down as soon as the parent leaves one job and takes another with an employer who is unaware of the child-support obligations. Tracing the parent becomes particularly difficult if, as in the case of Mr. Morey and millions of others, he switches jobs frequently and crosses state lines.

In 1989 the noncustodial parent's wages were being garnished in only one in five cases in which this should have been done under the law. And while more recent statistics are not available, child-support officials and advocates say they doubt that the proportion has increased much since then.

"If the father changes jobs three or four times a year, which lots of them do, there's no way to find them immediately," said Harry Wiggins, a Virginia enforcement official who is president of the National Council of State Child Support Enforcement Administrators.

Mr. Wiggins and others maintain that the child-support system will never work properly without a national data base, and some kind of universal screening for new employees, to see whether they have child-support obligations. But such a system is generally acknowledged to be a long way off.

In many states the caseloads are so large, and staffs so small, that when a family reports not receiving court-ordered child support, it can be as much as a year before any action is taken.

Need to Establish Paternity

Many cases never get as far as an order for child support: more than a quarter of all children in the United States are born out of wedlock, and for such children, child-support officials must formally establish paternity before support can be collected.

The Family Support Act requires that states try to obtain Social Security numbers from both parents at the time of each birth, and there is now Federal financing to help the states in identifying or tracking down fathers, and giving blood tests if necessary. But most states have failed, because of the slowness of bureaucracy, to establish paternity in about two-thirds of their out-of-wedlock cases.

The Family Support Act of 1988 also requires each state to adopt specific guidelines for setting child-support awards, so that judges faced with the same situation would order the same payment.

The guidelines differ substantially from state to state, with some states requiring that the noncustodial parent pay a flat percentage of earnings, while others looking at both parents' earnings and requiring each to pay a proportionate share of the children's expenses.

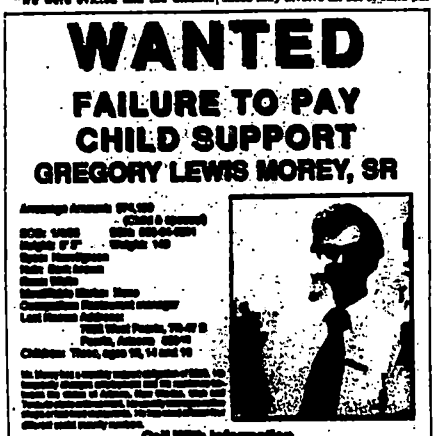
Guidelines for Awards

Under the law, the guidelines are to be used to compute the award unless a parent in a particular case can show that because of the family's special circumstances, the guidelines would produce some unusual hardship or unfairness.

A survey of 375 members of the Association for Children for Enforcement of Support, a nationwide advocacy group, found that the average support order had gone from $40 a week before the guidelines to $80 a week after. In Virginia, Mr. Wiggins said, the average order has doubled in the 18 months since the guidelines went into effect, to $270 a month.

But Geraldine Jensen, president of the association, said many judges were still ignoring the guidelines and setting unrealistically low awards.

"The guidelines have helped a little bit," Ms. Jensen said, "but what I would really like to see would be national guidelines, so that the award you get doesn't depend on whether you're in Ohio or Alabama."



Since the enactment of the Family Support Act of 1988, states have become more involved in collecting court-ordered child support awards. Mr. Morey Sr. is among the "Most Wanted" offenders in Arizona.

Louisiana's Chief Vetoes Ban on Most Abortions

By ROBERTO SURO
Special to The New York Times

BATON ROUGE, La., June 14 — Gov. Buddy Roemer today vetoed legislation that would have strictly limited abortions in Louisiana. Sponsors of the bill said they would immediately begin an effort to override the veto.

In a statement issued this evening, Mr. Roemer said that while he favored restricting abortions, he was obliged to veto the bill because it did not provide adequate exceptions for rape victims, cases of profoundly deformed fetuses and certain types of abortions necessary to safeguard the health of a woman. The Governor vetoed two similarly restrictive measures last year.

Political Battle Looms

Mr. Roemer, who switched political parties this year to become a Republican, faces a difficult campaign for re-election this fall. Asked at a news conference to assess the potential political impact of the veto, he said: "This is not about votes. This is about unborn babies. This is about women who have been brutalized by rape. This is about a country that is trying to get it right. We still don't have it right."

The abortion ban passed both houses of the legislature by a margin greater than the two-thirds that would be necessary to override a veto. The bill's author, State Representative Sam Theriot, a Democrat of Abbeville, said after the Governor's announcement: "We are most certainly going to attempt an override, and we are now going to begin to move forcefully to secure the necessary votes. As of now, I am very optimistic."

The Legislature is still in session, and it could take up an effort to override as early as next week.

During the legislative debate Mr. Theriot said his intent was to produce a law that could be used as a vehicle for overturning the Supreme Court's 1973 Roe v. Wade decision legalizing most abortions.

Dawn Johnsen, legal director of the National Abortion Rights Action League, said before Mr. Roemer's action, "Enactment of this bill would certainly increase the chances that a challenge to a woman's right to an abortion would work its way through the judicial system to the Supreme Court and give the Court an opportunity to reconsider the Roe decision."

Supporters and critics of the bill said it would be the country's most restrictive ban on abortions.

Under the measure, all abortions would be outlawed except when necessary to save the lives of the mothers and under narrowly defined exceptions for cases of rape and incest. Such victims would have to make police reports within seven days in the case of rape. A rape victim would also have to be examined within five days by a doctor other than the one who would perform the abortion to determine whether she was pregnant before the rape.

The bill provides that anyone performing an illegal abortion could be sentenced to a prison term of one to ten years and a fine of $10,000 to $100,000. Females undergoing abortions would not be liable for prosecution.

In debate over the legislation Mr. Roemer proposed amendments that would have allowed abortions in cases of tubal pregnancies and in the case of fetuses with life-threatening deformities. Another amendment would have given rape victims 30 days to report to doctors and 45 days to report to the police. All of the Governor's amendments were soundly defeated.

The bill was more restrictive than a Utah law that makes exceptions when a woman's health is threatened and when there is severe fetal deformity. A law enacted in Guam last year is also

An abortion battle continues, and an election nears.

weaker in that it, too, allows abortion to safeguard a woman's health.

In his veto statement Mr. Roemer said: "The open window for abortions must be closed in order to protect the life of the unborn, but meaningful exceptions must be drawn in order to protect the life and rights of the woman involved."

The Governor's veto comes just a day before the annual convention of the Louisiana Republican Party at which he is expected to come under sharp criticism. He is being challenged for the party's endorsement by United States Representative Clyde C. Holloway of Forrest Hill, a staunch proponent of a ban and who favors an exception only to save the life of the mother.

After Mr. Roemer vetoed two stringent abortion bills last year, proponents of the restrictions were unable to overcome procedural difficulties and problems with the legislation in their efforts to override.

Louisiana's Abortion Bill

The Louisiana abortion bill would outlaw abortions except under these circumstances:

- To save the life of the mother
- In cases of incest, but only if the crime is reported to the police and the abortion is performed within 13 weeks of conception.
- In cases of rape, only if the victim is examined by a doctor, other than the one who will perform the abortion, within seven days of the rape to determine if she was pregnant before the rape. The victim must report the crime to the police within five days and the abortion must be performed within 13 weeks of conception.

Anyone who performs an illegal abortion could face 10 years in prison and a $100,000 fine. Women would not be prosecuted for having an abortion.

Press Seeks Full Access to Florida Rape Trial

Special to The New York Times

WEST PALM BEACH, Fla., June 14 — Lawyers for news organizations and the American Civil Liberties Union joined a county prosecutor here today in urging the judge in the William K. Smith rape case not to restrict news coverage, as the defense has proposed.

In a Circuit Court hearing before Judge Mary E. Lupo, four lawyers for news organizations argued that highly publicized cases like Watergate and the Abscam political corruption trials had not been tainted by pretrial publicity. Mr. Smith's lawyers contend their client's right to a fair trial will be damaged unless news organizations are restricted before the scheduled Aug. 5 trial date.

Judge Lupo gave no indication when she would rule on the matter.

Mr. Smith, a 30-year-old nephew of Senator Edward M. Kennedy, Democrat of Massachusetts, has pleaded not guilty to charges that he attacked and raped a young woman on Easter weekend at the Kennedy estate in Palm Beach.

Defense lawyers for Mr. Smith today filed a motion to dismiss the case on the ground that the Palm Beach Police Department and the State Attorney's Office have "consciously and intentionally coached and assisted the complaining witness in the fabrication of her story."

Lawyers argue over the media's role in a high-profile case.

That motion, which will be heard on Wednesday, also said Mr. Smith's constitutional right to a fair trial had been violated because the prosecutor's office has generated "massive pretrial publicity calculated to shore up its case and poison the minds of potential jurors against Mr. Smith."

L. Martin Reeder, a lawyer representing The Palm Beach Post, said the fact that the rape case against Mr. Smith has received extensive coverage "does not mean that the defendant cannot get a fair trial." Other prominent cases, among them the trials of Leona Helmsley and the Iran-contra defendants, have been prosecuted without the need to restrict coverage by the press, Mr. Reeder said.

Challenging the judge's assertion at a hearing last week that the potential jury pool in Palm Beach County may have been "polluted" by pretrial publicity, Mr. Reeder said that the county has more than 470,000 registered voters and that he doubted many of them were keeping a close eye on the Smith case.

Sanford L. Bohrer, who represents The Associated Press, U.S.A. Today and Post-Newsweek Stations, Florida, Inc., agreed. "The fact is that a lot more people know that Michael Jordan is the Most Valuable Player in the N.B.A. series than they do the details of this case," he said.

Moira K. Lasch, the Assistant State Attorney in charge of prosecuting Mr. Smith, said any order restricting coverage would be ineffective since many of the details of the case are already a matter of public record. She said the defense's interest in such an order is "an attempt to control the dissemination of information" to favor Mr. Smith.

The prosecutor submitted to the court a copy of the book "Senatorial Privilege," an investigative treatment of the Chappaquiddick case, which involved the death of a passenger in Senator Kennedy's car. Ms. Lasch said the actions of Mr. Kennedy's lawyers in that case were part of an "effort to shield the public scrutiny from Senator Kennedy concerning his behavior at Chappaquiddick." In the present case, she said, Kennedy family lawyers are acting in the same manner.

Mark P. Schnapp, one of Mr. Smith's lawyers, vehemently objected to the prosecutor's comments. "This is not a forum for Ms. Lasch to trash Senator Kennedy in public," he said.

To buttress his contention that the Smith case has received an unusual amount of coverage, Mr. Schnapp submitted to Judge Lupo a 12-inch-high stack of news articles from as far away as Hong Kong.

Ms. Lasch, the prosecutor, said news

News Transmission Halted as Cable Is Cut

WASHINGTON, June 14 (AP) — United Press International's news delivery to the United States and Canada and parts of The Associated Press's broadcast service, A.P. Network News, were knocked out today when a contractor severed two fiber-optic telephone cables in suburban Virginia.

Some telephone service at the Pentagon and at hundreds of residences and businesses in the Washington area was also disrupted, said Ellen Fitzgerald, a spokeswoman for the Chesapeake and

working for the company or how the cables had been severed.

Milt Capps, a spokesman for United Press International, said the Washington-based news service had lost its ability to deliver news to all the newspapers and broadcasting stations it serves in the United States and Canada. He said transmissions to other nations were not affected.

Greg Crowley, engineering manager for A.P. Network News, said the serv-

Quarter of Newborns in U.S. Were Born to Single Women

ATLANTA, June 14 (AP) — Babies born to single women represent 26 percent of all American newborns — the highest proportion ever — and most of the mothers were 20 or older, researchers say.

The Federal Centers for Disease Control said Thursday that 1,005,299 babies were born to single women in 1988, the latest year for which such statistics are available. In 1980, 665,747 babies were born to single women; that figure represented 18 percent of all births that year.

By age, the birthrate from 1980 to 1988 was highest and rose faster among single women 20 or older. By race, the rate was highest among single black women, but it grew much more slowly than did the rate among white women.

"We're seeing a shift in the typical age of the unmarried mother," said Stephanie J. Ventura of the National

25 to 29, with 46 births, and women 30 to 34, with 32 births. The birthrate for single girls from 15 to 17 was a comparatively low 27 births.

Birthrates were up for all age groups, the researchers said, but the sharpest increases from 1980 to 1988 were among older women. The birthrate for single women 15 to 17 rose 30 percent. The rate for women 30 to 34 rose 53 percent.

By race, infants born to single women represented 63 percent of the black babies born in the United States, 34 percent of Hispanic babies and 18 percent of white babies.

The rate among single black women was 89 births per 1,000, compared with 27 for single white women. But the rate among white women grew 51 percent from 1980 to 1988, while the rate among black women rose 7 percent.

Previous studies have shown that

2ND STORY of Level 1 printed in FULL format.

USA TODAY

May 14, 1991, Tuesday, FINAL EDITION
Correction Appended

SECTION: NEWS; Pg. 3A

LENGTH: 816 words

HEADLINE: Poster parents: On the lam; 23 sought for support payments

BYLINE: Mimi Hall

KEYWORD: MOTHER:PARENT:FATHER:CHILD SUPPORT

wanted posters
- privacy right
- but it seems as criminal violation
this isn't a problem.
- 100K at cost society pays.

BODY:

Gregory Lewis Morey is about to become a legend among delinquent fathers.

Already he's legendary among Arizona authorities. During a decade on the run, they say, Morey hopped among six Western states, changing his Social Security number four times, to get out of paying $ 600 a month in child support.

But starting today his hard-sought anonymity could be harder to come by. Morey's face and name, and those of 22 other child-support evaders, will be appearing on ''wanted'' posters nationwide.

Employing a tough and controversial tactic now used in several states, the National Council of State Child Support Enforcement Administrators is issuing the national list of fugitive delinquent parents who owe a total of more than $ 650,000 in back child support.

Morey's distinction: He tops the list, with a debt of $ 74,100 to his ex-wife and children.

''We are scraping by, like we have been for years,'' says Morey's ex-wife, Susan Aldrich of Phoenix, who with her three children has been on and off welfare since her 1981 divorce.

Although she's remarried - and her new husband supports the family on $ 25,000 a year - she hopes Morey will be found.

''These kids still know what it's like to go without a meal,'' she says.

Harry Wiggins, president of the child support group, says the list is designed specifically to help authorities track down missing evaders. Experts estimate 40% of people who don't pay child support dodge state officials by moving around.

What happened to Susan Aldrich and her family is typical: Government statistics show that nearly two-thirds of women on welfare for the first time are divorced or separated.

Despite the recent passage of federal laws that allow seizure of wages and tax refunds, Wiggins says, some delinquents ''are so far underground, we don't have a clue.''

Rep. Henry Hyde, R-Ill., sponsored a bill now in Congress that would make it a federal crime for parents owing child support to move out of state to avoid payment.

Wiggins says the problem will be harder to solve.

In addition to moving around, he says, evaders change their names, Social Security numbers and birth dates to get around national computer-database searches.

But for all the high-tech tracking equipment, Wiggins is banking on the success of old-fashioned wanted posters. The posters, which will be displayed in state offices and public buildings, will include a phone number for people to call in tips.

Wiggins expects some delinquent parents, fearing their names and faces will show up next, will turn themselves in.

''We'll get these guys,'' he says. ''It's going to take time.''

While the posters may be successful - authorities in Virginia have found 23 of 27 parents in a similar campaign - some say they violate parents' privacy rights and wreak emotional havoc on the children.

Parents who don't pay should not be held up to ''national ridicule,'' says David L. Levy, president of the National Council for Children's Rights.

''It's traumatic for a child to see a parent in handcuffs or ridiculed,'' he says. ''There have got to be better ways.''

But supporters say delinquent parents lose their rights when they stop paying.

''When you commit a crime I think you lose your right to privacy,'' says Horace Satcher of Alabama's Child Support Enforcement Division. ''They are guilty of criminal conduct.''

Child support collections

Of the $ 8.2 billion a year owed in child support across the USA, only 46% was collected in 1989.

	Collected
Ala.	57.9%
Alaska	42.7%
Ariz.	47.3%
Ark.	35.5%
Calif.	47.6%
Colo.	60.8%
Conn.	50.3%
Del.	61.1%

D.C.	40.3%
Fla.	41.8%
Ga.	47.3%
Guam	36.0%
Hawaii	43.6%
Idaho	43.0%
Ill.	48.1%
Ind.	38.5%
Iowa	39.0%
Kan.	28.0%
Ky.	34.7%
La.	62.9%
Maine	49.7%
Md.	n/a
Mass.	19.5%
Mich.	51.9%
Minn.	74.5%
Miss.	35.2%
Mo.	47.8%
Mont.	29.9%
Neb.	50.5%
Nev.	58.8%
N.H.	32.9%
N.J.	53.7%
N.M.	58.9%
N.Y.	50.4%
N.C.	59.4%
N.D.	44.0%
Ohio	55.1%
Okla.	22.6%
Ore.	47.9%
Pa.	60.0%
P.R.	57.7%
R.I.	42.8%
S.C.	75.3%
S.D.	31.5%
Tenn.	27.9%
Texas	84.4%
Utah	36.0%
Vt.	37.7%
V.I.	34.3%
Va.	54.9%
Wash.	35.6%
W.Va.	40.6%
Wis.	n/a
Wyo.	24.5%
AVG.	46.1%

Source: U.S. Department of Health and Human Services

CORRECTION-DATE: May 15, 1991

CORRECTION:
A chart Tuesday should have showed that 24.5% of child support owed is collected in Wyoming. Correction ran 5/15/91.

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wyers and consumer ad- nost notably Ralph Na- hat fraud is only part of for high insurance rates. ne insurers concede that g fraud altogether would insurance cheap. One stimate is that cleaning id problem would mean a

ase see INSURE, Page 14

ashes Drug Ring

ssociated Press

A, Cyprus—Iranian au- mashed a major drug ring six of its members Sun- an Radio reported, one a tough new anti-narcot- nt into effect.

Too Little, Too Late?

Full Child Support: Small Steps

By LORI SILVER,
Times Staff Writer

WASHINGTON—Sue Speir, a divorced mother of two in Long Beach, considers herself a victim of the American system of child support.

Speir says that she tracked her former husband, who has since died, to Illinois, Arizona and finally Texas in her efforts to collect support payments.

"He was in Arizona for six years and he didn't pay it, and then he moved to Texas," she said. Each time he moved to another state, she had to open a new claim. She took him to court twice in Arizona, where a judge cut the payments in half—from $200 a month to $100—in the vain hope that he would be more likely to pay.

"For the custodial parent, it's really draining," said Speir, who now heads a child-support advocacy group called SPUNK (Single Parents United N'Kids). "You get beat down by the system."

New Federal Rules

Because her plight is becoming increasingly common, Congress stiffened federal child-support requirements last year when it overhauled the welfare system. The new provisions will, among other things, tighten regulation of state enforcement and eventually require employers to deduct court-ordered support payments from the paychecks of fathers who fall behind in their obligations.

Yet families cannot count on immediate results. Although child-support experts publicly applaud the new law, they privately complain that its provisions are too flabby and will take effect too late (some as late as 1994) to help today's struggling single mothers.

Doug Besharov of the American Enterprise Institute said that most advocates entertain hopes that the changes will do some good, but acknowledge that it probably will not.

"Passing a law saying that a man should support his children," he said, "is very much like passing a law saying drug addicts should stop using drugs."

Georgetown University economist Laurie Bassi predicts that the withholding of payments from delinquent fathers' wages will not begin to have a serious impact before the year 2000.

"The act is a definite step in the right direction," she said, "and it is going to make an improvement in people's ability to collect, but it will be a long time coming. States are incredibly slow and very resistant to federal intervention."

Wayne A. Stanton, director of the federal Office of Child Support Enforcement, said he expects to see measurable progress. One provision, requiring judges to follow state guidelines in setting child-support awards, could increase by 50% the amount of support being paid nationwide, he said.

There is enormous room for improvement. The most recent Census Bureau figures show that $11 billion in child support was owed in 1985, but nearly $4 billion of it was not paid.

Of the 5.4 million women legally entitled to support payments for

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SUPPORT: Law Phases In Payroll Deductions

Continued from Page 1

of it was not paid.

Of the 5.4 million women legally entitled to support payments for their children in 1985, about 48% received full payment, 27% received partial payment and 26% received no payment. Payments during that year averaged $2,215 for each mother.

The child-support picture had deteriorated somewhat since 1983. About 51% of eligible mothers received full payment that year, and 24% received nothing. And the average annual payment, after adjustment for inflation, was $2,528.

If the new system does not revolutionize the collection of support payments, most experts say it cannot be any worse than the old, under which the states ran their own support systems with federal standards largely unenforced.

That old system has taken its toll. Consider the case of a Santa Clara woman with three daughters who, unable to collect the payments their father owed, sent the two younger girls to live with him in Oklahoma because she could not afford to keep them.

"There was no way that we could live on my salary alone," she said. "My children are teen-agers, and they understand that they're not able to get everything they want [if they live with her]. My ex-husband is self-employed, and he made $1.4 million in 1985. From November of 1985 to the middle of 1988, I received $1,300 in child support."

The federal government began to play a role in child support in 1974, when Congress required states to collect such payments owed to women on welfare. Before that, all support payments were sent directly to the custodial parent, just as they still are in families that deal privately with support.

As early as 1984, Congress called on states to withhold some of the wages of absent fathers who were 30 days in arrears, but in the absence of vigorous federal enforcement, many of the states did not follow through.

States Fail Tests

Geraldine Jensen, founder and national director of the Assn. for Children for Enforcement of Support in Toledo, Ohio, said that 48 states, including California, flunked a federal audit and were found to be out of compliance with the 1984 law.

The mother of a 6-year-old boy in San Jose knows from bitter experience that the 1984 federal law lacked teeth. In 1986, she said, her ex-husband stopped paying after having paid for eight months.

"I attached his wages and collected for six months, and then he quit his job," she said. "He says he's not working now, but the money's coming from somewhere."

Meanwhile, she is having trouble making ends meet. "I went from $50,000 a year to $18,000 with no car, no furniture, no clothes," she said. "The first year of my divorce, I had nothing."

Under the new law, beginning in 1990, employers are to deduct child support from the father's pay in all cases in which the mother has sought state help in collecting—not just when the family is welfare-dependent.

Also as of 1990, states will be authorized to use Social Security numbers to trace delinquent fathers. Once a father who is liable for withholding is found, his employer will be instructed to deduct the correct amount for child support and send it to a state agency that will channel it to the mother.

And, starting in 1994, all new child-support awards will provide for payroll withholding of payments unless the parents agree that it is unnecessary.

Some private child-support advocates are not confident that even this mechanism will work. "I think it's foolish to think that states that are not following the old law will begin following the new law," Jensen said.

But Stanton, director of the federal child-support office, predicted that "in November, 1990, automatic wage withholding will make a dramatic difference."

Stanton pointed out that the new law carries stiff penalties for states that fail to enforce wage withholding against delinquent fathers. In the first year of noncompliance, states stand to lose 1% of their federal funds under the Aid to Families with Dependent Children program, and the penalty can go to 3% in the second year and to 5% in the third.

Child-support advocates note that these same penalties are available under the 1984 law—and that **the Ronald Reagan Administration passed up numerous opportunities to invoke them. Stanton, who is a** political appointee and may be replaced in the Bush Administration, promises to crack down on foot-dragging by the states.

California, a step ahead of the federal government, has enacted its own withholding law. Effective Jan. 1, 1987, all new and modified California support orders make the father's earnings subject to withholding, although fathers who can show a strong likelihood that they will pay on time can win exemption.

But some counties are lax in enforcing the law, Joanne Schulman, a family law attorney in Oakland, said. "In L.A. County it's a big problem," she said.

The Los Angeles County caseload is so heavy that the district attorney's office, which runs the system, is considering hiring a private contractor for the task, according to Betty Nordwind, a member of a private task force investigating the Los Angeles County system.

"If a mother enters the L.A. system without knowing where the father is, the case is entered into the system without doing anything three-fourths of the time," Nordwind said. "Their performance, in terms of number of cases open, percent of cases collected and productivity, is substandard."

Greg Thompson, chief deputy district attorney for Los Angeles County, agreed. He said: "We definitely have a serious child-support enforcement problem. We have over 300,000 active cases, and we're getting 6,000 new cases a month."

Thompson said the office is experimenting with outside contractors "to try to locate deadbeat fathers and to collect from them." He characterized these efforts as "pilot projects."

California is one of three states in which each county runs its own child-support system, and experts say that has served to compound the problems usually faced on a state level.

For instance, the federal Office of Child Support Enforcement is planning to sell each state a computer system to help it manage its child-support operations.

But "in California, where you have such strong and independent counties, every county wants its own system," Stanton said. "So long as they maintain that attitude, nothing is going to happen in California."

Although most experts agree that mandatory withholding will **make support payments easier to collect, many fathers' groups say the law is unfair.**

Immediate wage withholding "assumes guilt before innocence, constitutes a lack of due process and creates a further imbalance in the system," David Levy, president of the National Council of Children's Rights, said. Already, he said, states enforce child-support awards more vigorously than the visiting rights of fathers.

Men's Rights Position

Dick Woods, executive director of the National Congress for Men, said that the withholding begun under the 1984 law has caused problems, not only for the men but for their employers as well. Small employers have a difficult time keeping up with the bookkeeping, he said, and "many, many men lose their jobs."

Remarried men are hit particularly hard, he added. "If a [remarried] man's income drops for a period of time," he said, "it is logical to think he will spend a little less supporting each household. But with mandatory wage-withholding, the first children get everything."

Tougher withholding rules is not the only new weapon in the federal law. Two other provisions—increased federal funds for paternity testing and federal enforcement of states' guidelines for support awards—will have the most immediate effects on the support system, congressional aides said.

Proving the identity of a child's father through genetic testing is the only legal way that an unmarried woman can be awarded child support. According to the Office of Child Support Enforcement, states establish the father's identity in an average of 31% of cases involving an unmarried woman and uncertain paternity. In California, the figure was 24% in 1987.

Paternity Test Aid

The new law mandates that states must establish paternity in 50% of such cases by 1991, and it provides for increased subsidization of paternity tests. In October, 1988, the federal government began paying for 90% of the cost of a paternity test (up from 68% under previous law).

Although there will be no federal guidelines on child-support awards, the new law requires that as of next October, judges must follow guidelines that have been optional in most states. And the states must review their guidelines every four years and adjust them for inflation.

In some states, the guidelines advise judges to award a percentage of the father's income, according to how many children are left with the mother. Other states use more complicated formulas that include factors such as joint income and the local cost of child-rearing.

Making the guidelines mandatory will make child-support awards "more adequate, more predictable and more consistent," said Sally Goldfarb, a staff attorney at the NOW Legal Defense and Education Fund in New York. "The new law will give the guidelines more impact and ensures [that] they will be applied in a larger percentage of cases. Most guidelines are an improvement of the traditional award level."

In California, however, state law already requires judges to follow the so-called Agnos guidelines (for San Francisco Mayor and former Assemblyman Art Agnos), in which support awards are at levels similar to welfare grants. Judges are free to set higher awards based on the Santa Clara guidelines, which use a formula based on the joint, after-tax income of both parents.

"California has low standards," task force member Nordwind said. "If this occasions a review of the level of child-support guidelines, it may be positive."

A Santa Clara, Calif., woman with three daughters who was unable to collect the payments their father owed sent the two younger girls to live with him in Oklahoma because she could not afford to keep them.

50% Falling Short on Child Support

Census Finds 2.5 Million Women Getting Less Than Court Ordered

By Spencer Rich
Washington Post Staff Writer

Only half of the 5 million U.S. women with legal orders for child support in 1989 actually received the full amount from the absent father, the Census Bureau reported yesterday.

The survey showed that despite years of federal and state efforts to strengthen child-support enforcement against absent fathers, with strong support from many women's groups, the proportion receiving only partial payments or no payments at all had declined only slightly since 1978.

Health and Human Services Secretary Louis W. Sullivan called the report "a striking alarm for our children and our society . . . . Not living with one's children is no excuse for ignoring the financial and emotional support that a child needs to thrive."

Sullivan said that from 1979 to 1989 the number of children without a father present had increased from 7 million to about 10 million.

The Census Bureau report said $11.2 billion was paid out in child support in 1989, about $5 billion less than specified in court orders and legal agreements.

The 2.5 million women who did not get full support "were about equally divided between those receiving partial payments and those receiving nothing," the bureau said.

The mothers receiving child support averaged $2,995 in 1989, slightly lower than in 1978 after adjusting for inflation.

The bureau said that in addition to the mothers who had court orders, more than 4 million other women had no child-support orders or legal agreements, although two-thirds wanted them. Reasons included inability to locate the absent father or pursue all the legal steps needed.

"We see a lack of enforcement of the laws—very good laws are on the books, but the local child-support enforcement agencies are backlogged, and maybe one in ten who go in the door actually get services," said Geraldine Jensen, president of the Association for Children for Enforcement of Support, a nationwide organization with headquarters in Toledo, and a member of the U.S. Commission on Interstate Child Support.

Jo Anne B. Barnhart, HHS assistant secretary for children and families, said a major problem is the increasing complexity of the caseload.

Since 1978, she said, the number of never-married women with children has gone up from 1.3 million to 3 million; and the number of female-headed families with children in poverty has gone up from 2 million to 3 million.

In the case of never-married mothers, there is sometimes no evident father from whom to seek child-support, and paternity must be established, she said, and in the case of the poor, the mothers are often less accustomed to using the legal system and the fathers sometimes lack jobs.

The Census Bureau found that only a quarter of never-married mothers had support orders, compared with over three-quarters of those who had been divorced from the father. Payments to never-married mothers averaged $1,888 a year.

Barnhart also said that some of the new rules established in the past few years, such as automatic wage-withholding from the pay of fathers who have a child-support obligation, did not go into effect until after 1989, and are not reflected in the bureau's report.

"Congress has no choice but to keep tightening the screws until the collection of child-support improves to the point where it is no longer a national disgrace," said Rep. Patricia Schroeder (D-Colo.), head of the House Select Committee on Children, Youth and Families.

"With one million children born out of wedlock each year and with states collecting less than half the current child support due, we can and must do a better job," added Rep. Thomas J. Downey (D-N.Y.), chairman of the subcommittee with jurisdiction over the federal child-support enforcement program.

three-minute thumbnail sketch of the country's education woes. And though repeating educational priorities on national TV never hurt anyone, they are a pretty clear demonstration of the limits of that summit promise.

Education's problems are unfortunately real. But you don't solve such problems by rephrasing them. By the year 2000, says Mr. Bush, "every child must start school ready to learn," and "U.S. students must be the first in the world in math and science achievement." The high school graduation rate must increase to 90 percent, and there must be a 72 percent improvement of academic performance, especially among at-risk students," "the level of training necessary to guarantee a competitive work force," "the supply of qualified teachers and up-to-date technology" and "the establishment of safe, disciplined and drug-free schools."

When are we going to move beyond the restatement of these unexceptionable ideas? There comes a point when endlessly reiterated generalizations must yield to something more specific and real or lose all credibility.

Mr. Greenspan's Forecast

IN HIS ANNUAL midwinter role as national oracle, Alan Greenspan has offered the reassuring view that the economy probably won't fall into a recession this year. Possibly less welcome to the Bush administration, he also said that the current inflation rate is too high—in his term, "unacceptable." The people at the White House have been hinting that they wouldn't mind risking a little more inflation to help Mr. Bush reduce the budget deficit. But that's a costly way to hit budget targets, and Mr. Greenspan has made it clear that under his chairmanship the Federal Reserve Board doesn't intend to play that game.

Even if it wanted to, there's not much that the Federal Reserve could do at the moment to push rates down. They have, of course, been rising in recent weeks. The reasons have nothing to do with Federal Reserve policy. A lot of investors are, like Mr. Greenspan, uneasy about future inflation, and they are taking out insurance by demanding higher rates. But that's only part of the explanation. A larger part comes from abroad. The Japanese and German economies have been growing rapidly and to keep them under control their governments have tightened credit. Higher interest in Tokyo and Frankfurt means, automatically and instantly, higher interest here.

With the rising financial power of the Japanese and the Europeans, together with the electronic magic that makes it easy to switch funds from one country to another, the influence of foreign markets is increasing. That reality makes American politicians uncomfortable. They feel that they are expected to talk and act as though the United States had full control of its monetary policy. In fact, the rest of the world now has quite a lot to say about it.

If the United States is no longer in charge, who is? The answer isn't simple. The world's monetary policy is being run by a loose consensus among the biggest of the industrial democracies. The American Federal Reserve is still the most important presence at those meetings, but it's now only first among equals rather than the dominant force that it once was. It still speaks for the world's richest economy, but its authority has been diminished by the enormous debts that the United States has rolled up in the past decade and by the country's continuing need for foreign loans. Mr. Greenspan and his colleagues have been doing an exceedingly skillful job. But if interest rates abroad keep rising, rates here—regardless of American preferences—can only follow.

Parents on the Lam

IN BASEBALL, a .270 batting average will keep you in the lineup, but it's nothing to get excited about. When a state tries to collect child support from delinquent parents, however, a 27 percent success rate would place it well within the top third in the nation. This is the pitiful condition of child-support enforcement efforts throughout the country as many parents struggle to raise children on only a fraction of the money they are legally entitled to. Now the Maryland Department of Human Resources and the state's Child Support Enforcement Program—which collected just 26.9 percent of the payments owed to parents in 1988—are taking some steps that should help correct the problem.

The first is a regular "10 most wanted list" of the most elusive parents, designed to encourage tipsters to report their whereabouts to Maryland authorities. A hot line, 1-800-492-5676, has been created for this purpose. In Virginia, a similar "most wanted" list has helped authorities track down and collect payments from some of the state's most delinquent parents.

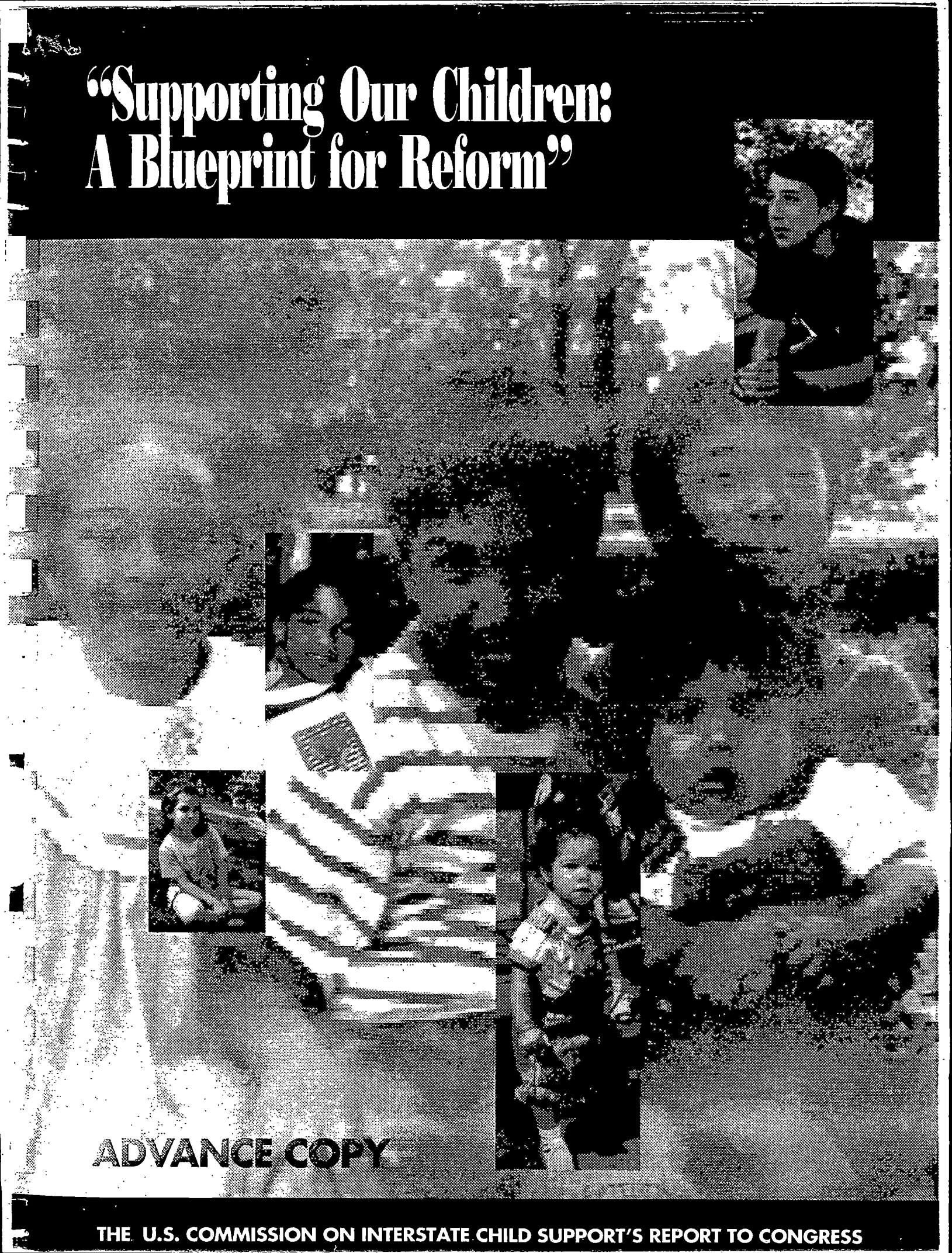
Maryland officials are also using private collections agencies on a trial basis to help collect support payments. Several requirements of the federal Family Support Act of 1988 will also require all states to, among other things, stick to established deadlines for seeking wage withholdings from the incomes of those who refuse to pay, beginning in November of this year.

According to the most recent statistics of the Children's Defense Fund, only three states—Connecticut, Pennsylvania and Rhode Island—managed to collect more than 50 percent of the child-support payments owed to parents. Virginia officials managed to bring in 31.3 percent, while the District of Columbia had one of the worst records, managing only 16.8 percent.

The best states, according to the Children's Defense Fund, capitalized on the swift use of wage withholding, used an automated record-keeping system that quickly flagged officials when payments either slowed or stopped, rigorously established paternity in the case of unmarried couples with children and had an enforcement staff large enough to prevent a backlog of delinquencies. If parents are delinquent for months or even years before any pressure is exerted, they are more likely to feel they can avoid their responsibility altogether.

Wash. Post
Feb 2, 1990
p. A22

"Supporting Our Children: A Blueprint for Reform"



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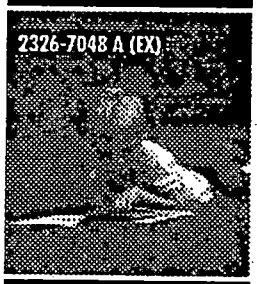
THE U.S. COMMISSION ON INTERSTATE CHILD SUPPORT'S REPORT TO CONGRESS



Executive Summary

"Supporting Our Children: A Blueprint for Reform"

The U. S. Commission on Interstate Child Support was established as a part of the Family Support Act of 1988. The Commission was charged by the Congress to make recommendations on improvements to the interstate establishment and enforcement of child support awards. The Commission is required to submit a final report to the Congress.

U.S. Commission on Interstate Child Support

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A Preface from the Chair

We as individuals and as a country owe our children every opportunity to reach their potential. One of the most important ingredients of a child's development is a nurturing family. In the eyes of many people, the "ideal nuclear family" is a two-parent household. However, 50% of marriages in this country end in divorce. And nonmarital births are increasing at an alarming rate. We must as a country come to terms with the changing face of the American family.

Single-parent families often face a bleak future. About 30% of female-headed households live in poverty. One of the leading causes of that poverty is inadequacy of child support. In fact, three quarters of custodial mothers entitled to child support either lack child support orders or do not receive full payment under such orders. In no other area of financial responsibility does this country tolerate such an abysmal record.

The nonpayment of child support crosses both gender and income levels. Enforcement is especially problematic when the parents live in different states. There is a bewildering maze of different state laws, policies, and procedures. Added to these complexities are difficulties in locating and serving process on the obligated parent, lack of cooperation among state bureaucracies, antiquated case tracking systems, insufficient resources, and inadequate training of child support case workers, attorneys, and judges.

Recognizing the need for broad reform, Congress created the U.S. Commission on Interstate Child Support in 1988. Our charge was to "submit a report to Congress that contains recommendations for (A) improving the interstate establishment and enforcement of child support awards; and (B) revising the Uniform Reciprocal Enforcement of Support Act."

The Commission is composed of fifteen members: eight appointed by Congress and seven by Secretary Louis Sullivan of the U.S. Department of Health and Human Services. I had the honor to serve as Chair. We are a diverse group, representing the variety of participants in the child support process. Among us are parents who have been involved in the support system, lawyers, judges, a former child support administrator, and appointed and elected officials at the federal level.

In addition to our own expertise, we felt it crucial to obtain the perspectives of others. Therefore, we held public hearings throughout the country. At those hearings we heard from custodial and noncustodial parents; child support organizations; public and private attorneys; judges; court administrators; administrators and caseworkers of state child

support agencies; representatives of national organizations such as the Children's Defense Fund, the American Public Welfare Association, the National Governors Association, and the American Society of Payroll Management; parent advocacy groups, and others. We held informal public forums for parents to voice their concerns. We invited experts to address the Commission on such areas as medical support, military enforcement, privacy rights, jurisdiction and choice of law issues, service of process, criminal nonsupport, automated data systems to link the states, and child support assurance.

In compliance with the Family Support Act of 1988, we also hosted a national leadership conference on child support in April 1991. Almost 200 federal and state policy makers and advocacy group representatives participated in an exciting and unprecedented dialogue for three days. Using a round-table format, participants and Commission members explored issues raised by the Commission's then-tentative recommendations and considered other suggestions as well.

This report is the result of that intensive two-year effort. Guiding our deliberations has been a mission statement that we internally adopted: "To improve the lives of children and families by strengthening parental responsibility for child support and by reporting to Congress recommendations for laws, policies and procedures that promote a uniform, efficient and equitable interstate child support system." The emphasis, as it should be, is on children. We found that too often separated parents shift their focus from their children to their painful relationship with each other. Invariably, when the focus is shifted, the children are the losers.

In developing our recommendations we had to address two major issues. First, how does one define an interstate case? We define an interstate case as any case in which the parents live in different states. Although we were able to clearly define an interstate case, we were unable to clearly determine what exclusively impacts on an interstate case. We found that many laws, policies, and procedures that govern intrastate cases also significantly affect interstate cases. For example, county-to-county variances within a state that may cause inconveniences in local cases can cause bureaucratic nightmares in interstate cases. Therefore, in order to create seamless case processing, some of our recommendations by necessity apply to both intrastate and interstate cases. A minority of Commissioners feel that we have exceeded our mandate by making recommendations that impact on intrastate cases as well as on interstate cases.

The second issue was to what extent we should address emotional as well as financial support. We all agreed that children thrive when they receive emotional and financial support from both parents. When interference with visitation or nonpayment occurs, there should be easily accessible forums in which parents can resolve the issues. However, the majority of Commissioners felt strongly that child support and access/custody issues are separate legal issues. Just as nonpayment of support should not be a valid defense to a claim of visitation interference, so should visitation interference fail as a valid defense to enforcement of child support. After reviewing our legislated mandate to recommend

improvements to interstate "child support awards" (emphasis added), most Commissioners concluded that our recommendations should address financial support only. In a minority report one Commissioner criticizes that decision.

As a group we have labored long to develop recommendations that are both practical and visionary. We have based our recommendations on a belief that with strong federal leadership, needed improvements to the interstate establishment and enforcement of support awards can, and should, be made in the context of the current state-based system.

This report presents the Commission's findings and recommendations. Although we feel that all recommendations are important, there is a core of recommendations that we believe are essential to any reform of the interstate system. These recommendations are discussed in a Chapter entitled "Main Elements of Reform." It is vital that Congress consider these critical elements of reform as a unit.

The remainder of the report is organized chronologically, based on the typical processing of an interstate case. Because it is absolutely essential that state child support agencies be given the resources to perform the activities that are currently mandated and to meet additional requirements that we are recommending, we begin with an emphasis on staffing and resources. All recommendations in the report are based on a majority vote of those attending the meeting and voting.

Some recommendations have the notation "federal plenary." These are recommended improvements that would require a federal statute. Other recommendations have the notation "federal funding loss risk." These are improvements that we suggest that Congress require states to provide in order to continue receiving federal funds for their Aid for Families with Dependent Children programs. Finally, some recommendations have the notation "encouragement." These are suggestions to Congress or the states based on best practices which we have identified, but which we are not asking be mandated.

We thank all of those individuals who contributed to the development of this report, through their testimony, letters, and telephone calls. We especially thank those parents who shared their private lives with us. We also want to emphasize our appreciation of the front-line caseworkers who do their best to provide needed child support services despite staggering caseloads.

I wish to thank my fellow Commissioners for the past two years. It has been a privilege to work with them. As with any group, there were individual differences. Some Commission members believe our recommendations have gone too far. A few feel they do not go far enough. However, each Commission member came to the table with a desire to improve the life of the interstate child. They have given tremendous amounts of their time and contributed their experience, analysis, and passion to the deliberations on each recommendation.

I want to extend my appreciation to the families of the Commission members and staff. We have experienced a number of major life transitions over the past two years, including

job changes, graduation of children from high school and from college, and the birth of three children. Travel on behalf of the Commission has undoubtedly added strain, and we thank them for their understanding.

On behalf of all the Commissioners, I also wish to thank our incredible staff. Vernon Drew did an outstanding job as executive director. His knowledge of the "ins and outs" of child support case processing was invaluable, his sense of humor greatly appreciated, and his indefatigable spirit in writing this report enviable. Jeff Ball, deputy director and legal counsel to the Commission, kept us amazed at the breadth of his knowledge of child support legal issues. His thoughtful analysis of issues was crucial. He also did an excellent job in writing chapters of this report, explaining with his characteristic thoroughness the legal context of our recommendations. Public Affairs Director Phil Shandler ensured that child support enforcement was an issue in the public's eye. He did a superb job of working with the news media, disseminating information on the problems of interstate child support enforcement and on the Commission's efforts to develop comprehensive national reform of the system. Special thanks also go to Joyce Moore who served as executive assistant. She tirelessly managed the logistics of all our meetings and hearings, maintained our fiscal accounts, responded to telephone inquiries, and proof-read the report.

Special recognition should also be given to two entities: the General Accounting Office (GAO) and the National Conference of Commissioners on Uniform State Laws (NCCUSL). As the Commission began its work it constantly encountered a lack of data to document the extent of the problem. We turned to GAO to assist us and two studies were conducted for the Commission. These studies documented for the first time the interstate child support population, the extent of nonpayment on interstate cases, and the manner in which the interstate income withholding impacts on the collection of support for children. NCCUSL was involved in a review and redraft of URESA simultaneously with our Commission's work. The NCCUSL URESA Committee welcomed us to their deliberations and thoughtfully considered our suggestions. As a result of the ongoing dialogue between the two groups, the new Uniform Interstate Family Support Act and the Commission's recommendations stand in harmony.

This report represents a comprehensive national blueprint for reform of the interstate system. We are pleased that its tentative recommendations already have enhanced Congressional attention to the plight of the interstate child. Children should not suffer financially because their parents reside in different states. When our recommendations are implemented, we believe our goal of an interstate support system that is uniform, equitable and efficient will be achieved and that children's lives will improve. We now call upon this country's leaders to make our vision a reality.

Margaret Campbell Haynes
Chair

Ensuring Orders are Enforced

Four-fifths of working Americans work for someone else. It is important to have a uniform and efficient method to withhold their income for child support purposes. Currently, state laws require income withholding in IV-D cases immediately upon the entry of a new or modified order, subject to limited exceptions. In 1994, immediate income withholding will apply to all new cases, IV-D or nonIV-D. Many legislators and child support professionals see income withholding as the most efficient and reliable method of support collection. However, states do not approach income withholding in a uniform manner, making interstate withholding more complicated than it needs to be. Some areas in which there is no unanimity are the priority in which orders should be honored, garnishment limits, and definition of income. Uniformity is extremely important if the W-4 direct income withholding system is to work properly.

The Commission's recommended W-4 reporting system, in which new hires reveal whether they are under an income withholding order, should give custodial parents immediate access to the garnishable income rather than the custodial parents' playing catch-up with obligors who switch jobs without notifying anyone. Under the recommendation, employers forward information identifying all new hires to the state so that new hires who incorrectly report withholding orders will be discovered and a confirming order/notice sent to the employers.

Tied into the W-4 identification process is the concept of direct withholding across state lines. Currently, in most interstate cases, income withholding requests must be processed by two or more states' agencies, adding significantly to the time it takes to implement the withholding order. The Commission recommends that withholding orders/notices be sent directly to the noncustodial parent's employer (or other source of income). The employer should honor the order/notice as if it were issued in the employer's state. The money withheld should be forwarded directly to the payee listed on the withholding order/notice. If the order/notice is challenged or not honored, the state in which the employer was served would represent the custodial parent upon the request of the state seeking enforcement.

If two or more custodial parents seek support from the same noncustodial parent, the Commission believes the children should be treated equally. The Commission recommends that each child entitled to support through withholding receive a prorated share of the available money.

The Consumer Credit Protection Act (CCPA) places a limit on the amount of child support that may be garnished from a paycheck. States are free to set lower limits. The Commission recommends that Congress amend the CCPA to provide a uniform cap on garnishment, equivalent to the current federal ceiling of 50% to 65% of a worker's disposable income. Also, the CCPA should state that child support garnishments have priority over all federal debts and federal process. Currently, the CSEA require states to give child support garnishment priority only over garnishment for debts based on state process.

Garnishing income is not the sole way to ensure compliance with support orders. The use of income withholding accounts for over four of ten dollars of reported IV-D collections. Other enforcement techniques need to be strengthened if

interstate collection is to markedly improve. The need is particularly acute for cases in which a custodial parent seeks enforcement of an order against a self-employed noncustodial parent.

Most adult Americans have driver's licenses and a motor vehicle registered in their name, providing mobility that is considered essential to many persons. In fact, many noncustodial parents pay more in a year on car payments than on support for their children. States have the power to deny the privilege to drive. Most denials are based on driving related breaches of conduct. However, other forms of conduct could be tied to license or registration suspension. Whenever a noncustodial parent fails to appear at a parentage or support hearing, after being summoned, that person's application for a driver's license or vehicle registration should be frozen until the person who is fleeing from a judicial warrant surrenders himself or herself.

If one is a fugitive from state justice, it makes no sense for the state to approve the license or registration so the person has the mobility to remain on the lam. There is certainly a rational basis between one arm of government in search of someone requesting another arm to suspend the means with which one avoids the first arm's grasp. The Commission recommends that the license or registration not be granted or renewed until the tribunal searching for the parent cancels the warrant. A noncustodial parent who is the subject of a warrant can post a bond, appear in front of the tribunal to which he or she was originally summoned, or agree to a support payment plan approved by the tribunal. This applies to both intrastate cases and interstate cases. In the latter cases, failure to appear warrants would be broadcast on the National Crime Information System, accessed by state agencies, and matched with license or registration applicants' names. States may provide a temporary 30-day license in appropriate cases to give the applicant time to resolve the issue.

States also license persons to practice certain professions, crafts, or trades. When a person seeks the issuance or renewal of a state issued occupational license, the agency certifying the individual should match that person against the list of persons who are wanted by a tribunal for not appearing at a tribunal hearing. The license should be denied until an accommodation is reached that is satisfactory to the tribunal.

Additionally, occupational license applicants who owe past due support in violation of an order should be denied licenses until an agreement is reached regarding the arrearage with the support tribunal, or the custodial parent or his or her representative. This recommendation applies to federal licensing agencies and state and local agencies. The agencies should have available 30-day temporary licenses pending resolution of the delinquency issue.

Noncustodial parents who own valuable property should have liens placed on their property when appropriate. Each state under the CSEA must have a procedure for determining which case is a candidate for lien imposition. However, liens are not imposed regularly, and one of the major reasons given is the costly and time consuming nature of the lien imposition process.

The Commission encourages states to routinely place liens on certificates of title on real and personal property belonging to delinquent noncustodial parents without the need for a separate court hearing. States should have a systematic way to update the lien value and a way to challenge the lien and its value if the noncustodial parent believes the lien was erroneously imposed or its value was erroneous calculated. The process of releasing a lien should be streamlined as well.

The lien on a certificate of title should have precedence over all other liens except for liens that cover the person or institution who loaned money to the parent to purchase the property. States should consider on a case-by-case basis if it is appropriate to seize and sell the encumbered property. Routine encumbrance coupled with selective seizure and sale of property should deter many self-employed obligors from not meeting their support obligation.

The Commission recommends that before significant lump sum payouts are made that states should verify that the receiver of the payout does not owe past due support. Lump sum payouts include lottery or gambling winnings and insurance claim or lawsuit settlements or awards. If the receiver does not owe support, the payout should be turned over to the receiver. If the receiver owes support, the part of the payout representing the arrearage should be forwarded to the state child support agency for disbursement.

The Commission also considered ways to expeditiously seize liquid assets of delinquent noncustodial parents. The Commission recommends that states freeze bank accounts up to the amount of the delinquency. A tribunal should quickly determine if the freeze should be lifted or the proceeds turned over to the state for distribution.

Many persons participate in retirement funds, both through or outside of employment. If the funds may be attached without loss of employment, and may be contemporaneously turned over under the fund's rules, they should be subject to attachment for delinquent child support. Any penalties imposed for early withdrawal or taxes should be borne by the noncustodial parent.

A difficult problem to resolve is when a delinquent noncustodial parent transfers property to a friend or relative for little compensation to avoid a child support creditor. Almost every state has adopted a fraudulent transfer law. The laws are rarely used in child support cases. The Commission recommends more active civil and criminal prosecution of fraudulent transfers.

Witnesses testified that there is no financial incentive to a delinquent noncustodial parent to timely pay support. In many states, child support is the only debt that is interest-free. Child support should certainly be on par with — if not treated more favorably than — commercial debts. The Commission recommends that states assess interest against every past due support installment and collect the interest after the principal is paid. The rate of interest should not be lower than the rate for interest on state money judgments.

States should have statutes of limitations that allow for collection of past due support until a child reaches his or her 30th birthday. Currently, many states cut off collection after five to ten years after the arrearage accrued. States are free to elongate their statute to protect arrearage beyond the child's 30th birthday.

The Commission encourages states to consider other remedies, such as using collection agencies in the hard to collect cases, making estates of noncustodial parents who owed support at the time of their death liable for current and past due support, ordering an unemployed or underemployed noncustodial parent who owes support to seek work, and cooperating with job placement programs to assist noncustodial parents in their search for work. Courts are encouraged to consider work release programs for noncustodial parents held in contempt in child support cases.

The federal government should amend its statute to allow for tax refund interception by the Internal Revenue Service for children who are no longer minors but for whom support remains unpaid. Also, the IRS should give a higher priority to "full collection," where the child support arrearage is turned over to the IRS for collection as if it were a tax delinquency.

Some noncustodial parents who owe child support seek solace through bankruptcy proceedings. Current bankruptcy laws make child support and alimony debts nondischargeable. This means that the person who files for bankruptcy cannot have his or her support debts reduced or eliminated. Unfortunately, when a bankruptcy petition is filed, no one is allowed to collect a debt until the bankruptcy court authorizes it. The Commission recommends that there be no "stay" on support enforcement once a petition is filed so that support collection can proceed uninterrupted.

Child support enforcement for most of this century consisted of contempt or criminal nonsupport prosecution. Contempt is still a widely used and effective tool. However, with the strengthening of civil laws to enforce support, criminal nonsupport statutes are used less often. The Commission believes that civil remedies should be tried before criminal remedies, but that there are difficult, egregious cases that require strong, punitive prosecution. The Commission recommends that the few states without criminal nonsupport statutes pass them.

Also, the federal government should pass a federal statute making it a crime not to pay support for a child who resides in a separate state from the noncustodial parent. A federal statute eliminates state jurisdictional issues where the crime of nonsupport could be considered to have been committed in any one of several states. Since the federal government has nationwide jurisdiction, it is unnecessary for jurisdictional purposes to determine in what state the crime occurred. Additionally, a federal criminal statute acts as a powerful deterrent. It is a statement that America believes nonsupport to be a serious enough crime to warrant federal attention.

The Commission strongly believes these enforcement tools will give states the ultimate enforcement procedures available. If Congress passes the Commission's recommendations and states fully implement them, the child support system should improve dramatically. If the reforms do not have a noticeable impact on the collection rate after allowing sufficient time for implementation, Congress may want to investigate the appropriateness of federalization of the collection aspect of child support.

Ensuring Support is Collected and Distributed

In some ways, the most frustrating aspect of support enforcement may be when the money is paid to the clerk of the court or state child support agency, but is not promptly distributed to the custodial parent. The handling of the payment by several people or offices, nonautomated processing, and unidentifiable payments contribute to the slow turnaround time in some states.

The first step of expeditious collection and distribution is to ensure the payer promptly forwards the money. The Commission recommends that states encourage income sources to use electronic funds transfer wherever possible, where a person or business can wire money through the national banking network for automatic deposit in the payee's account. Also, states are encouraged to accept credit or debit card payments from noncustodial parents.

States should be diligent in distributing the payment once received. Congress should require states to have one statewide collection and distribution point or local points that both collect and disburse support. The Commission believes that unnecessary time delays occur when a check is received in one office and mailed to a second or third office before distribution. The Commission

anticipates that local collection points would send automated accounting data to the central office regarding collections and distributions.

The Commission is concerned that families receive as soon as possible all support owed to them. Today, IV-D agencies must first forward current support to the family in nonAFDC cases and to the the state in AFDC cases. Collected arrearages, however, may be distributed at the state's option to the state first for reimbursement for past AFDC or to the family first to cover postwelfare, family-owed arrearage. Very few states currently pay prewelfare, family-owed arrearage to the family before they pay out AFDC reimbursement to the state.

The Commission spent much time determining which distribution scheme was the fairest to everyone. The Commission considered a uniform distribution scheme a necessary component of an equitable interstate child support system. The recommendation for distribution priority is:

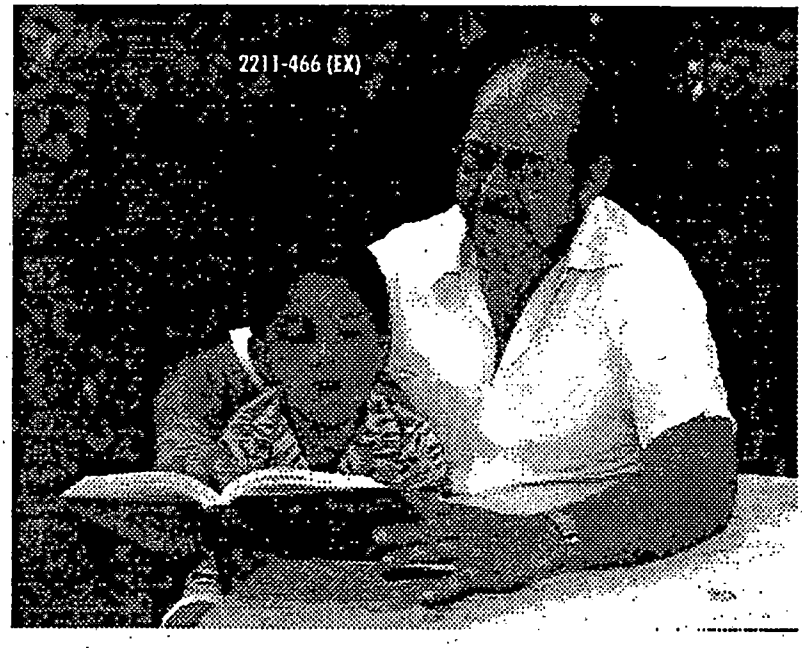
- payment should first be applied toward a current month's support obligation and distributed to the family or state depending on current AFDC status;
- payment should then be applied toward any arrearages accruing after the family leaves AFDC and distributed to the family;
- payment should then be applied, at state's option, toward any arrearage accruing before the family received AFDC or toward reimbursement of AFDC and distributed accordingly;
- payment should then be applied toward reimbursement of AFDC provided by other states on behalf of the children and distributed to those states.

The interest collected on child support arrearages should follow the same priority.

The Commission further recommends pilot projects and impartial studies of a distribution scheme in which all family-owed support is paid to the family before states receive welfare reimbursement.

Another distribution issue is the priority given nonAFDC arrearage among competing federal claims under the federal tax refund offset program. Currently, nonAFDC arrears have a much lower priority, coming after most federal programs take their share of the taxpayer's refund for debts to the government. The Commission recommends that Congress authorize a study to determine whether to amend the distribution scheme to put nonAFDC arrearage at the top of the priority list, federal tax debts second, and AFDC reimbursement third. Until the study is completed, the Commission recommends a temporary provision (with a "sunset" clause) that reorders the refund distribution so that nonAFDC arrearages are distributed first to the family.

To further alleviate costly readjustments to other programs and to encourage support



payments, the Commission recommends that the first $50 collected during a month in which the family receives AFDC, when passed through as cash to the family as required by current law, not be counted as income for any other means tested program.

Target Groups

The Commission focused on five categories of child support recipients that have not received much legislative attention: children of federal workers or benefit recipients, Indian children, children of young parents, children involved in international child support cases, and children of bankrupt parents.

The federal government should improve its locate services for military personnel so that the servicemember's duty station can be discovered quickly, based on up-to-date information.

Also, the Commission recommends that Congress reform laws regarding federal employees who work overseas or at stateside duty stations where restrictions prohibit state officials from serving papers.

Overseas federal employees should designate a stateside person for service of process purposes, similar to a business assigning a resident agent for service purposes.

Restricted access duty stations should not impede service. Each federal agency that restricts nonfederal service should work out a plan to ensure that each employee may be served with papers regarding child support as if he or she were a civilian.

When it comes to garnishment, the federal government — the country's largest employer and the distributor of billions of dollars of federal benefits — should serve as a model for private sector employers.

Federal law should be clarified to allow garnishment of all remuneration to federal employees, including special pay, bonuses, and allowances given to civilian and military employees. The main federal government garnishment statute and the military involuntary allotment statute should be combined to produce one statute that draws from the best of each. The new statute should allow for the honoring of state withholding orders without additional requirements. Also, the Uniformed Services Former Spouses Protection Act should be amended to remove any impediments to the routine honoring of state withholding orders.

Federal law contains numerous anti-assignment clauses that prohibit the garnishment of a federal benefit. Congress should amend all anti-assignment clauses to provide that the benefit can be assigned or garnished for child support.

The federal government, as well as state and local governments, should insist that any government employee who owes current or past due support be under an income withholding order (unless a tribunal found cause or the parents agreed not to implement withholding).

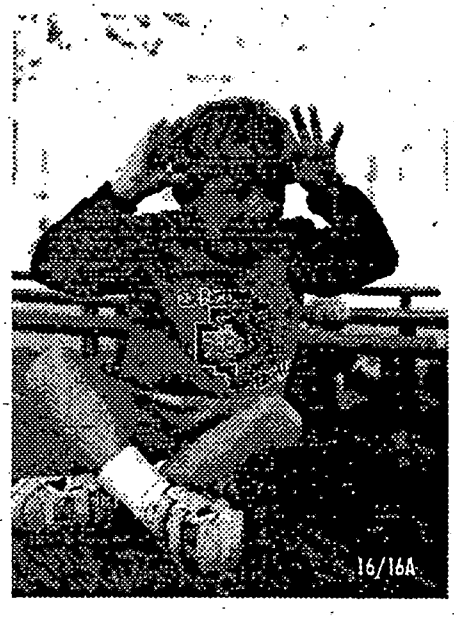
Indian children should have the same right to support as nonIndian children. Indian noncustodial parents who live on reservations may often invoke tribal sovereignty as a defense to the honoring of a state order. The Commission recommends that tribes must give full faith and credit to state orders. Also, state tribunals must give full faith and credit to tribal support orders. Eventually, a IV-D program should be established on reservations, paid for by the federal government. For now, Congress should fund demonstration projects to explore different ways of providing child support services to Indian children. The Commission also encourages tribe and state governments to cooperate on child support issues, establishing work groups among judges, attorneys, caseworkers, and administrators.

The Commission acknowledges the difficulties faced by young parents as they grapple with their own maturity while raising a child. The Commis-

sion encourages family and school instruction on parental responsibility. State agencies, including child support agencies, should provide extra resources and attention to the special problems facing young parents to ensure an enduring family relationship.

Currently, chances are bleak that support will be collected for a child whose noncustodial parent resides in another country and who does not voluntarily pay support. While there are several international treaties regarding support enforcement, the United States is not yet a signatory to any of them.

URESA provides for reciprocal arrangements between foreign nations (and individual Canadian provinces) and individual states. Each state is free to enter into an agreement with any other nation (or province) that has a law that is substantially similar to URESA. UIFSA continues this approach. The Commission recommends that states seek out reciprocal agreements with as many nations as possible. Also, the Commission recommends that the United States sign the U.N. Convention of 1956 to ensure overseas recognition of American support orders.



Also, when a noncustodial parent files for bankruptcy under Chapter 12 or Chapter 13 of the Bankruptcy Code, (where a debtor petitions a bankruptcy court to stretch out his or her debt payments, rather than eliminate the debt), the child support creditor should be able to choose whether to be included with the other creditors in a payback plan. In all cases, no child support arrearage should be compromised and the assets of the estate should be available to satisfy the support claim.

Ensuring Orderly, Efficient Interstate Case-processing

Congress gave the Commission two explicit mandates: suggest reforms to improve the interstate child support system and recommend changes to URESA. Congress understood how significant a role URESA has played in interstate child support enforcement. URESA has been the main conduit for handling interstate cases since its promulgation in 1950. URESA was amended in 1952, 1958, and in 1968 by its collective author, the National Conference of Commissioners on Uniform State Laws. Since then, it has been adopted in various forms by all 54 child support jurisdictions. About two-thirds of the states have the 1968 version of URESA, often called RURESA (the Revised Uniform Reciprocal Enforcement of Support Act).

Since the last revision to URESA in 1968, the support world has undergone a revolution. A new version of URESA is badly needed to incorporate the public/private, federal/state nature of today's child support collection system.

For four years, NCCUSL's drafting committee has labored to produce a dramatically different interstate case processing law that is virtually guaranteed to improve interstate case service delivery. NCCUSL has extended every opportunity to the Commission to work with NCCUSL to coordinate the two groups' efforts to revise the interstate child support system. The final draft of the committee represents a gargantuan effort by both groups to produce an extremely thoughtful and useful URESA replacement.

UIFSA is premised on the following principles:

- that one state should remain in control of the terms, collection, and modification of a support order;
- that a comprehensive uniform state law should provide both consistent long-arm jurisdiction and traditional two-state jurisdiction processes for interstate cases;
- that direct income withholding provides an efficient, workable method to collect support across state lines;
- that two-state enforcement requires an efficient, speedy registration system that allows enforcement to take place at the earliest possible date without violating the due process rights of the obligor or without the obligee's risking modification of the order;
- that modification may be ordered only by a state with the authority to do so;
- that many forms of evidence obtained in one state should be easily admissible at another state's hearing;
- that the forum state's choice of laws governs which laws apply in the establishment or modification of a support order;
- that the Act should be user friendly.

The Commission endorses these principles. They are incorporated into the draft of UIFSA and will face approval this summer by NCCUSL. Because NCCUSL has not yet approved UIFSA, the Commission includes with this report the version of UIFSA that the Commission approves.

The Commission recommends that Congress require passage of the attached UIFSA by every state, to be effective on the same date nationwide.

Ensuring Adequate Resources

While Congress has worked diligently to improve the collection of child support over the past 18 years, more needs to be done, especially if interstate cases are to be timely processed. Thirty-seven thousand persons work to collect support through the IV-D system. According to GAO, the average caseworker handles 1,000 cases. The offices are understaffed and the staff undertrained. A dishearteningly small percentage of staff are familiar with all of the remedies that currently exist for pursuing support in another state. (GAO Report) This lack of dedicated resources and training is reflected in enforcement statistics. The average interstate case in which enforcement of an existing order is requested takes three to six months before a collection is made, versus three to nine weeks for an intrastate case.

Even if all of the necessary legislative reforms are enacted, collections will not significantly improve unless states devote adequate resources to implement the reforms. Overburdened agency staffs result in high turnover rates, which lead to a plethora of inexperienced and undertrained caseworkers. In IV-D cases, understaffing means mandatory prioritizing among cases, which results in the processing of cases that show the greatest signs of a high return for the time invested or cases in which persons receiving IV-D services constantly contact the agency about the cases' status. The more difficult cases, including many interstate cases, go unattended.

Because of caseworkers' horrific caseload, custodial parent access to IV-D caseworkers may be limited to a few hours a week.

The Commission strongly urges states to increase their child support resources. The Secretary of the Department of Health and Human Services should conduct a staffing study in each state —with state input — to determine staffing and resource needs. States should then be required to implement the recommended caseload staff ratio.

Most child support workers are dedicated to providing quality services, but are partially thwarted by the mountainous level of cases.

Through states' dedication of adequate resources, including computer terminals, office space, and personnel, states will place their workers in a position to provide those quality services.

Additionally, child support personnel should have adequate training. Caseworkers, supervisors, attorneys, and judges all need to be trained appropriately. The Commission recommends a significant federal and state commitment to the provision of training. Training ensures that problems are better anticipated and resources are more wisely used, especially in interstate cases.

Ensuring Adequate Funding

How a IV-D program is funded invariably determines what the program emphasizes. Few variables affect a change in priority for a child support program as much as a change in the funding formula. Currently, states receive 66% of their funding for administrative costs from the federal government. States also receive federal incentives of 6 to 10% (based on collection efficiency) of the amount collected for both AFDC and nonAFDC cases. However, federal incentives are capped in nonAFDC cases at 115% of the amount collected in AFDC cases. States also charge application and other fees to parents.

The Commission acknowledges that the best funding formula drives the program in the most productive direction. There are two main lines of thinking in funding reform. Some argue that the incentive program should be maintained and retargeted to reward states that perform well on criteria that reflect the program's goals. Such goals may include the traditional duties of the IV-D agencies: to locate parents, establish parentage and support orders, and enforce orders.

Others argue that incentives skew state case processing priority by forcing states to work only those cases that will likely meet the target criteria. Most persons who want to eliminate incentives prefer to see the incentive money shifted to enhanced federal administrative cost funding, which translates to a federal funding rate of 80 to 90% of the administrative costs incurred by states.

The Commission does not believe adequate analysis exists that conclusively supports either funding method or any other alternative. The Commission urges Congress to fund a study to examine various alternatives. The study would review: (1) tying incentives to performance criteria that are independent of AFDC collections, (2) exploring funding based on increases in federal administrative cost funding for states that exceed performance criteria, (3) abolishing guaranteed minimum 6% incentives to states and the requirement that incentives be passed to local child support agencies, (4) centralizing child support agency functions, and (5) promoting quality control.

In the interim, the Commission recommends that the federal incentive formula be revised to reflect a balanced program that serves both AFDC and nonAFDC families and to require reinvestment of incentives into the child support program. Any revisions would have a transition period before audit penalties could be imposed and a promise of a moratorium before further changes are made to the formula. This would allow states to plan their budgets more effectively over a longer period of time.

The Commission also recommends that states not assess charges for IV-D services against a custodial parent above the application fee. Other fees should be enforced against the noncustodial parent and collected only after current and past due support and interest are collected.

The Commission believes that children's issues are among the most important ones facing the country. Children represent our future. We must adequately invest in our future. With funding through the appropriation process fairly limited, the Commission endorses a voluntary funding approach where a taxpayer could choose to contribute a certain sum from his or her tax

- have a uniform, integrated, statewide IV-D system;
- allow a party in a judicial proceeding to bring a joint parentage/support action in a single cause of action;
- have the venue for parentage determination in the county of residence of the child;
- give a tribunal continuing and exclusive jurisdiction over a case until the child moves out of that county or judicial district and modification is sought or the parties consent to be bound by another court or agency that can acquire jurisdiction;
- provide for the mandatory transfer of cases for modification to the county or district where the child resides without the need for refiling or re-serving;
- give a child support tribunal statewide jurisdiction over the parties, with the order enforceable statewide;
- acknowledge that a federal employee does not lose residential status while stationed elsewhere unless the employee selects another state as a residential state for tax purposes;
- provide that visitation denial is not a defense to support enforcement and that the defense of nonsupport is not available as a defense to visitation issues.

In addition, each state should make available for broadcasting on its local and state crime information system failure-to-appear or bench warrants issued by courts in parentage and child support cases.

The Commission also recommends that states should develop interstate compacts to resolve regional problems with interjurisdictional case coordination, by innovative approaches that allow, for example, direct case handling of an out-of-state case, recognition of out-of-state warrants, process servers' reach across state lines, and shared access to a state's locate information not usually accessible by out-of-state agencies. Interstate compacts should receive 90% federal funding participation for the states that enter into them, for activities during the planning, and implementation stages.

The Commission wants to ensure that state agencies are client focused, yet efficient and organized. Above all, agencies should be highly motivated to perform well for the millions of children who rely on their help to collect support.

The Future

The Commission's reforms if adopted will strengthen our nation's effort to ensure that children of separated parents living in different states are on the same financial footing as children of two-parent households. Through its reforms, the Commission foresees a state-based child support system with sufficient, well trained staff who can efficiently and accurately process interstate cases using state-of-the-art enforcement tools.

"Many barriers to cost-effective and successful child support collection efforts still persist. But the dedication and the actions of people all across the country have already produced results. We must redouble our efforts."

Louis Sullivan, M.D., Secretary, U.S. Dept. of Health and Human Services.

Summary of Minority Reports from Members

Letters from each member of the Commission are included in Appendix B. In addition, five members of the Commission submitted written reports. These are also included in Appendix B. This section summarizes those five reports.

One member of the Commission submitted a report discussing the issues of parental access to children. This member, who voted for the adoption of the report, urges Congress to acknowledge the need for children to have access to both parents. His report details research that argues that the cause of nonpayment of support is tied to the parent's ability to provide emotional support to the children. He argues that Congress should evaluate enforcement techniques in light of the impact that they have on families.

Another member of the Commission submitted a dissenting statement to explain the reasons for her vote against the report. Her report is premised on the belief that the child support system needs radical, fundamental restructuring to put children first. She states that proposals for reform must include a child support assurance program that guarantees child support will be a regular, reliable source of income for children; a federalized system to collect and distribute child support payments; effective state laws and procedures to establish paternity and child support orders; national guidelines for determining the amount of the support order; and a national process to review and update orders.

A third member of the Commission, who voted for the report in part and against the report in part, expressed concern that the report does not include a comprehensive examination of the financial and administrative impact of each recommendation on the federal and state governments and the private sector. The member also urges that an analysis of current state initiatives for reporting of new hires be conducted and that demonstrations be used to test and study improvements recommended to computer networks and the Federal Parent Locator Service. He concurs with that portion of the minority report of Judges Robinson and Rothschild which states that the Commission made recommendations that exceed its mandate and which are not directly related to interstate child support reform. Finally, this member expresses concern that many of the recommendations would result in federal requirements in areas traditionally and appropriately left to the discretion of states.

Two other members submitted a joint statement to support their vote for the report in part and against the report in part. These members express concern that some of the Commission's recommendations go well beyond the directive from the Congress into areas that should remain within the discretion of the states. The members list a number of recommendations which they do not endorse. In many areas the members see specific recommendations as meritorious and they urge states to adopt them but feel that state legislators and governors should have discretion rather than having these matters imposed by the federal government. The members add that any mandates should be cast in general terms rather than as directives for specific statutory language. With regard to the organization and duties of the federal Office of Child Support, the members express a desire to see the standing and effectiveness of the federal agency enhanced. They are concerned that specific recommendations may limit the flexibility of the agency to do the best job. In respect both to the federal agency and state courts, the members caution that if sufficient resources are made available, the level of effort for other important functions may be reduced.

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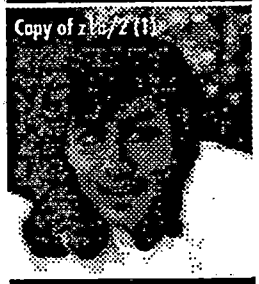

The Plight of Children in Single-Parent Households

"The effects on my brothers ... and me, of having a father who is delinquent in paying support have been profound.... My mom has been working at a full time job that barely pays over minimum wage, she is going back to school at night to get a better job.... We hardly get to see her, so instead of losing just one parent, we lost two."

Elizabeth Adams, Child.

Introduction

In every newspaper and on every night's news we are reminded that the children of America are at risk. In a country with unparalleled resources, American children still cry for help to become the healthy, educated, and productive people needed to carry on our nation's heritage.

A growing number of America's children—now one out of four—lives in poverty. The economic and social structures are changing and many see the well-being of even those who fall within the middle class eroding before their eyes.

Children living with one parent face a greater risk of living in a household with income below the poverty level than do children living with two parents. The U. S. Census Bureau reports that if a child is living with just one parent, and that parent is the mother, there is virtually a one-in-three chance that the child and mother will be poor. If the child's mother was never married to the father, the likelihood that the mother and child will be poor is one-in-two.[1]

One major cause of this problem is the failure of parents to accept responsibility for the financial well-being of their children. Partly because of high divorce rates, partly because of the rate of nonmarital births, and partly because of the overall downturn of our economy and its impact on families, increasing numbers of children are not receiving financial support to which they are entitled.

" The bottom line is that we need to get child support payments to mothers and children. Very often, it makes the difference between enough food on the table and hungry mouths, between new clothes for school and old hand-me-downs, between making ends meet and just scraping by. Simply put, we need to make success stories ... happen more quickly."

U.S. Representative Barbara B. Kennelly.

The problem exists in spite of the concerted efforts of the federal, state and local governments to establish and enforce child support orders. The dedicated, hard work of the 37,000 persons working in state and local child support programs, of judges and court personnel, and of federal officials has resulted in millions of children receiving child support payments.

Congress, state legislators and other officials in state government have taken impressive actions since 1975 to assist parents establish and enforce child support obligations. Federal laws require states to operate child support programs to serve both children who receive public assistance payments under the Aid to Families with Dependent Children (AFDC) program and other families who apply for services. In 1984 and 1988, Congress took decisive action to improve child support programs in states by requiring that every state have and use laws that provide strong enforcement remedies to courts and administrative agencies.

Included in these remedies are enforcement methods targeted at interstate cases. Recognizing the need for a comprehensive reform of the interstate system, the Family Support Act of 1988 also established the U. S. Commission on Interstate Child Support.

Congress asked this Commission to investigate the barriers that preclude effective interstate case processing and to make recommendations to improve the interstate establishment and enforcement of child support obligations. While the Commission found distinct differences in the processes used in interstate cases that lead to increased complexity and processing time, one should always remember that interstate children are being raised in the same society as other children. Our report then often recommends reforms that will improve the processing of cases within a state — even before the second state is involved.

An Overview of Interstate Child Support Cases

Child support cases fall into two categories: the intrastate case, in which the noncustodial parent, the custodial parent, and the child reside in the same state, and the interstate case, in which the noncustodial parent resides in a different state from the custodial parent and the child. While the effective processing of the intrastate caseload is challenging, the handling of the interstate caseload is far more complex. Interstate case processing requires individuals and agencies in two or more jurisdictions to coordinate a series of activities; communicate detailed information precisely, and in a form compatible with the needs of other jurisdictions; and understand and cooperate with the varying policies and procedures followed by jurisdictions across the country. States report that it takes as much as seven months longer to process interstate cases requiring all child support services than the average time reported for all cases.[2] The difficulty of establishing and enforcing support orders across state lines has caused a great deal of economic hardship for custodial parents and children. Interstate child support enforcement takes too long, costs too much, and too often, fails to yield enduring, positive results.

Characteristics of Interstate Families

Based on reports of custodial mothers, interstate child support cases represent approximately 30% of child support cases in this country.[3]

"It is well known that the easiest way to avoid paying child support is to leave the state in which you were ordered to pay support."

Wendy Epstein,
Executive Director,
Illinois Task Force on Child Support.

Many socioeconomic and child support characteristics of custodial mothers do not differ significantly by the noncustodial father's residence. Almost identical percentages of mothers in intrastate and interstate child support cases report that they have awards (61 percent and 59 percent).[4] The mean amounts of child support received by custodial mothers are also similar in intrastate and interstate cases.[5] However, the father's place of residence has a dramatic effect on child support payments. Mothers who knew that the father of their children lived in another state reported that they were expecting an estimated $4.0 billion in child support in 1989 but actually received only $2.4 billion or 60% of what was expected. Mothers who did not know the whereabouts of the father reported that they were expecting $0.5 billion in 1989 but received only $0.2 billion or 37% of what was expected. Mothers in intrastate cases, on the other hand, reported receiving 70% of the support they expected during 1989.[6]

IV-D Cases — Child Support Cases and Public Agencies

In 1975, Congress created the child support enforcement program with the passage of Title IV-D of the Social Security Act. This program provides a federally funded-state based system through which families may establish, enforce and modify child support obligations. Families receiving AFDC are required to cooperate with state and local officials to secure support for their children. Other parents may apply for the same services. Discussion of the federal and states' roles in this program are discussed in individual chapters in this report.

In federal fiscal year 1990, public agencies reported a total caseload of 12,796,388 of which 5,871,637 were cases in which the family did not receive AFDC.[7] States do not report the number of cases in which the parents live in another state. States report that 477,637 requests for assistance were sent from one state to another state in federal fiscal year 1990.[8]

NonIV-D Cases — the "Private" Child Support Case

A substantial child support caseload exists outside of the IV-D program. Commonly referred to as "nonIV-D cases," these cases represent cases for which a IV-D application has never been filed, either because the custodial parent does not know about the IV-D program or chooses not to participate in it. NonIV-D cases typically are handled on a pro se basis or by private attorneys. Interactions with the IV-D system are limited in both situations.

State agencies vary on how they interact with nonIV-D cases. In some instances, states want as many cases as possible to "count" as IV-D cases, and so require applications before any assistance is given, including the collection and distribution of support payments. In others, states are willing to provide limited assistance to nonIV-D cases at no cost. For example, to use income withholding, an important interstate enforcement remedy, some states require cases to become IV-D cases, while other states make the service available for any qualified case.

Research estimates that the ratio of nonIV-D cases to IV-D cases among families not on AFDC is close to 3 to 1.[9]

How Child Support Can Help

Ever-increasing numbers of our children are in peril. The "traditional" two-parent family structure has lost its permanence, leaving many children residing in single-parent households, where money often is very scarce, and where the strain of work and parenting can drain single parents of their energy and emotional resources.

Divorces have risen more than 200 percent from 393,000 per year in 1960 to 1,183,000 in 1988.[10] Today, roughly half of current American marriages will end in divorce. This means that, for the first time in history, two people entering marriage are as likely to be parted by divorce as by death.[11] Our high divorce rate, combined with a sharp rise in non-marital childbearing, make it more likely than ever before that our children will live at least part of their lives in a single-parent household; or in a blended family.

As of spring 1990, 10 million women[12] aged fifteen and over were living with children under 21 years of age whose fathers were not living in the household.[13] Only 57.7% of these women had been awarded child support.[14] Children who were supposed to receive child support in 1989, actually collected about $5 billion less than they were entitled.[15] For a similar number of children, support had not even been ordered or sought because of problems locating noncustodial parent, establishing paternity, or pursuing other aspects of the legal process required to establish a child support obligation. Children born to single parents, young families, and "interstate families," are particularly victimized by nonsupport, either because legal support orders are not established for them, or because legal orders are not enforced.

The problems encountered by female-headed households worsen dramatically if the head-of-household is a teen mother. On the average day, 1,295 babies are born to girls under 20 years old. Although the adolescent birth rate has been declining, the adolescent marriage rate also has been declining, leading to a sharp rise in births to unmarried teens. Since 1970, births to unmarried teens have increased from 30.4% of all births to teens to 64% in 1987. Teen mothers are three times more likely to be single parents than women who delay childbearing until their twenties, and are twice as likely to divorce or separate if they do marry.[16]

The poverty of non-supported children takes many forms, ranging from abject poverty to life in very different circumstances than the children might have enjoyed had they been supported by both parents. Researchers agree that women and children experience real declines in economic well-being following divorce, regardless of economic levels prior to the divorce, and that children of never-married women tend to suffer even more.[17]

In many cases, the poverty of nonsupported children extends even to basic health insurance, which often can lead to a corresponding lack of basic health care. Sixty-six percent of mothers in interstate cases and 56% of mothers in intrastate cases reported that health insurance benefits were not even included in their support awards. Mothers report that even when the order includes health care support, it is not provided by the noncustodial parent or not available to the children in 75% of interstate cases and 63% of intrastate cases.[18]

Having an award for child support can alleviate poverty. In 1989, 24.1% of women with child support awards lived at poverty level as compared to 43.2% of those without child support awards.[19] And just having an award for child support differs from collecting child support. Collecting child support can make the difference between poverty and economic self-sufficiency. Women who actually received child support payments in 1989 had a poverty rate of only 21.8 percent.[20]

"And to make matters worse my own children have seen that it's ok not to pay because they have seen that there are few consequences. This has to change."

Nancy Bowes, Custodial Parent.

While children are the primary victims of nonsupport, taxpayers suffer as well. Many children who are not supported by both parents must rely on AFDC and other forms of government assistance, putting additional strain on already-tight state and federal budgets.

The economic and demographic changes affecting the American family have exerted great pressure on the Aid to Families with Dependent Children (AFDC) Program. By the 1970s, fully 80 percent of families receiving public assistance were eligible because of divorce, desertion, or nonmarital births. In 1989, combined benefit payments to one adult/two children families amounted to approximately $9,373 per family in AFDC payments, Food Stamps, and Medicaid.[21]

Current Status of the IV-D Interstate Child Support Program

A January 1989 GAO report on interstate child support includes a detailed description of the current state of interstate child support case processing. Summary points from that description include the following:

- Available data indicate that more than half of all IV-D interstate activity is taking place in only seven states;
- Interstate case processing takes longer and is less successful than intrastate case processing;
- Interstate case processing and enforcement involve a variety of laws and processes;
- State and national organizations believe insufficient staff, lack of automation, and variance in states' policies, procedures, and laws are primary barriers for interstate collections and enforcement, and that standardized policies and procedures, combined with performance standards, could improve interstate collections and enforcement; and
- OCSE and state caseload and collection data are of questionable validity and provide limited information about the interstate caseload.[22]

"It is important to remember that most of the serious difficulties encountered in Interstate Child Support cases are the same difficulties encountered in cases within the State. Location, including identification of employment and service of process, remains the major obstacle to successful Child Support Enforcement. These problems are magnified when a State boundary is involved."

Horace D. Satcher, Alabama IV-D Director.

Approximately 60% of the states identified improvements that they were making to their interstate case processing techniques, and virtually every respondent identified changes at the federal, state, and local levels that would enhance interstate case processing and collections. These changes include the following:

- standardizing laws, procedures, and forms relating to interstate case processing;
- establishing an interstate computer network;
- establishing child support office performance standards for interstate cases;
- simplifying interstate paternity establishment;
- enhancing funding for paternity blood tests;
- standardizing interstate wage withholding;
- requiring social security numbers on birth, marriage, and divorce documents;
- increasing financial incentives for responding states;
- providing more financial support for automation;
- establishing more explicit child support office staffing standards for intrastate and interstate cases;
- improving case tracking;
- ensuring staff availability;
- establishing better agency/court cooperation;
- giving interstate cases the same priority as intrastate cases;
- establishing non-judicial expedited processes;
- providing training to interstate caseworkers; and
- using videotaped testimony in interstate cases.[23]

The Role of the U.S. Commission on Interstate Child Support

Although some of the recommendations identified in 1989 have been implemented at the federal, state, and local levels, problems in interstate case processing and collections still abound.

The Commission came to this important task with a clear mission:

> To improve the lives of children and families by strengthening parental responsibility for child support and by reporting to Congress recommendations for laws, policies and procedures that promote a uniform, efficient, and equitable interstate child support system.

The Commission spent its first eighteen months gathering the testimony of individuals and organizations about these problems. In public

hearings across the country, discussions at a national leadership conference, and countless consultations, a constant refrain was that the current interstate system does not work. In developing its recommendations, the Commission has relied to a large extent on suggestions from "users" of the system—parents, child support caseworkers and administrators, private and public attorneys, and decisionmakers.

The following principles have guided the Commission's work:

- Children thrive best when they receive healthy emotional and adequate financial support from both parents.
- Although visitation and child support share important roles in the world of the "separated" child, they should be separate legal issues. Nonpayment of support should not be a valid defense to visitation denial. Similarly, visitation interference should not be a valid defense to the nonpayment of child support.
- The permanent goal of any child support system should be the improved economic security of all children.
- The best interest of children should motivate policymakers' decisions concerning legislative and procedural reform. In some instances, that interest must be balanced against the states' interest in minimizing public expenditures.
- In order to achieve an improved interstate child support system, laws and procedures need to be more uniform and less complex.

Although the explicit mandate of the U.S. Commission on Interstate Child Support is to create a plan for reform of the interstate program, the Commission's recommendations in some cases are global to the universe of child support enforcement. Volumes of testimony and research indicate that it is impossible to separate completely the "interstate" from the "intrastate". The Commission found that many intrastate procedures hinder fair and efficient interstate case processing.

More importantly, if the goal of child support enforcement is to make interstate cases indistinguishable from intrastate ones from the perspective of enforcement, it makes sense to look at child support enforcement as a seamless web. Drafting sound laws, creating good management practices and performance standards, streamlining case processing procedures, designing efficient automated systems—all of these activities require looking at the system in its totality.

Endnotes

[1] U. S. Bureau of the Census, *Child Support and Alimony: 1989*, Current Population Reports, Series P-60, No. 173 (Washington, DC: Government Printing Office 1991), p. 2.

[2] U. S. General Accounting Office, *Interstate Child Support: Case Data Limitations, Enforcement Problems, Views on Improvements Needed*, HRD-89-25, (Washington, DC: Government Printing Office 1989), p. 15.

[3] U.S. General Accounting Office, *Interstate Child Support: Mothers Report Receiving Less Support form Out-of-State Fathers*, HRD-92-39FS, (Washington, DC: Government Printing Office 1992), p. 2.

[4] *Id.* at 15.

[5] *Id.* at 23.

[6] *Id.* at 16, 17, and 18.

[7] U. S. Department of Health and Human Services, *Child Support Enforcement: Fifteenth Annual Report to Congress for the Period Ending September, 30, 1990*, (Washington, DC: Government Printing Office 1992) Table 2.

[8] *Id.*, Table 129.

[9] Philip K. Robins, "Requiring Immediate Wage Withholding for All Child Support Enforcement Orders: Estimated Non IV-D Caseloads and Collections Based On Current Populations Survey Data," unpublished paper prepared for the Office of Child Support Enforcement, July 1991, p. 2.

[10] U.S. Dept. of Health and Human Services, *Child Support Enforcement: Fourteenth Annual Report to Congress for the Period Ending Sept. 30, 1989* (Washington, DC: Government Printing Office 1991), p. 5.

[11] L. Weitzman, *The Divorce Revolution: The Unexpected Social and Economic Consequences for Woman and Children in America*, 1985, p. xvii.

[12] While the Commission report is written in a gender-neutral manner, Census Bureau data only reflects women who fail to receive support, and thus, Census Bureau reports are written in terms of "custodial mothers" and "absent fathers." Men entitled to receive support account for another 10% of the custodial parent pool, by some estimates.

[13] U.S. Dept. of Commerce, Bureau of the Census, *Current Population Reports*, ser. P-60, No. 173, *supra* note 1.

[14] *Id.* at 6.

[15] *Id.* at 2.

[16] G. Adams and K. Pittman, *Teenage Pregnancy: An Advocate's Guide to the Numbers* (Children's Defense Fund 1988), p.11.

[17] *See* Office of the Assistant Secretary for Planning and Evaluation, U.S. Dept. of Health and Human Services, *Estimates of Expenditures on Children and Child Support Guidelines*, (Washington, DC: Government Printing Office 1990).

[18] U.S. General Accounting Office, *supra* note 3, at 20.

[19] U.S. Dept. of Commerce, Bureau of the Census, *supra* note 1 at 6.

[20] *Id.*

[21] The source for these figures is Dept. of Health and Human Services, Assistant Secretary for Planning and Evaluation.

[22] U.S. General Accounting Office, *supra* note 2, at 21.

[23] *Id.* at.23.

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The Federal Government's Role in Child Support – Past, Present and Future

Contributing to the complexity of the child support enforcement program is the fact that, in every state, it operates across every branch and level of government. The role of the federal government in the child support enforcement program is particularly complicated, inasmuch as the federal Office of Child Support Enforcement (OCSE) must both oversee the program, and carry out specific functions that directly affect the success of state and local program operations. Testimony presented to the Commission indicates that organizational and leadership problems currently impede the successful performance of each component of this role by the federal government. For purposes of this chapter, the child support program is defined as the federal/state funded program operating under Title IV-D of the Social Security Act.

Present Federal Responsibilities

The Social Security Act provides that the Secretary of the Department of Health and Human Services shall establish a separate organizational unit to administer the Title IV-D program and the person heading that organization will report directly to the Secretary. The Act defines the following specific responsibilities for the federal agency:

a) establishing standards for state child support programs operating under Title IV-D,

b) establishing minimal organization and staffing standards for state IV-D programs,

c) reviewing and approving state IV-D plans,

d) evaluating the implementation of state IV-D programs,

e) conducting audits of state IV-D programs and determining for the purposes of the penalty provision, if the state conforms to the requirements (not less than every three years for all states and not less than annually for states under a penalty or operating under a corrective action plan),

"In order for interstate child support collections to improve dramatically, there needs to be enhanced federal leadership on the function of interstate child support. This leadership can be in the form of additional Title IV-D regulations or by the enactment of new statutes. Federal leadership is needed in order to create a system of interstate child support collections which is as uniform as possible within the parameters of the sovereignty of the states. The Family Support Act of 1988 and the consequent Title IV-D regulations have only recently begun to address the problem of uniformity in regard to interstate child support. However, these regulations have only begun to scratch the surface and they do not nearly go far enough in addressing the problem."

Patrick W. Quinn for the Domestic Relations Council of Pennsylvania and the Allegheny County Court of Common Pleas, Family Division.

f) assisting state IV-D agencies in establishing adequate reporting procedures and maintaining records,

g) maintaining records of all amounts collected and disbursed and of all costs associated with such collections,

h) providing technical assistance to states to help them establish effective systems for collecting support and establishing paternity,

i) receiving applications for the use of the federal courts,

j) operating the Federal Parent Locator Service,

k) submitting to the Congress, no later than three months after the end of a fiscal year, a report on the activities undertaken in the program,

l) certifying to the Secretary of the Treasury cases for collection,

m) approving initial and annually updated advance plans for automated data processing systems for state IV-D agencies, reviewing and assessing the planning, design, and operation of automated data processing systems to ensure that they meet federal requirements,

n) suspending funding, waiving requirements, and providing technical assistance to states to assist in the planning, design and operation of state IV-D automated data processing systems, and

o) issuing regulations requiring state IV-D agencies to petition for medical support.[1]

Organizational Structure

Since 1975, OCSE has been the designated federal agency. It has operated in several organizational structures. From 1975 until 1987, OCSE was an independent agency in the Department of Health and Human Services and the Commissioner of the Social Security Administration served as the Director of OCSE (the Commissioner/Director answered directly to the Secretary). The Commissioner is a Senate confirmed position. During this period, OCSE operated under the day-to-day direction of the Deputy Director. The organization consisted of divisions responsible for automated system support, program operations, policy and planning, budget and administration, and audit. OCSE secured personnel services and procurement assistance from the SSA.

In 1987, the DHHS created the Family Support Administration which was responsible for the federal government's role and oversight of state and local programs related to the Refugee Resettlement Program, the Low Income Heat and Energy Assistance Program, the Aid to Families with Dependent Children, and the Child Support Enforcement Program. The Administrator of the Family Support Administration was also the Director of the Office of Child Support Enforcement. The position was a

secretarial appointment and did not require Senate confirmation. Organizationally, the structure of OCSE was changed by placing the budget and administrative functions, personnel, and systems within other units of the Administration. By losing direct control of budgetary and administrative functions, personnel decisions, and automated systems to other units of FSA, OCSE lost both its autonomy and control of its resources.

Section 603 of the Family Support Act replaced the administrator with the position of Assistant Secretary for the Family Support Administration. The Act requires Senate confirmation of the appointment.

In the spring of 1990 the Secretary created the Administration for Children and Families (ACF). An assistant secretary appointed by the Secretary and confirmed by the Senate, heads ACF and serves as the Director of OCSE. ACF is responsible for a variety of programs that are federally funded and provide services to children through state and local agencies. Programs include the following:

a) Job Opportunities and Basic Skills Training,
b) Child Support Enforcement,
c) Headstart,
d) Social Services Block Grants,
e) Foster Care and Adoption Assistance,
f) Low Income Energy Assistance Program,
g) Child Care Development Block Grants,
h) Child Welfare Services
i) Refugee Assistance,
j) Community Services Block Grants,
k) At-Risk Child Care Program
l) Developmental Disability Programs
m) Native American Programs
n) Child Abuse and Neglect Programs
o) Runaway and Homeless Youth Programs
p) State Legalization Impact Assistance Grants
q) Repatriation Programs
r) President's Commission on Mental Retardation.[2]

In a manner similar to the structure of the FSA, the OCSE functions of personnel, budget, administration, and systems are a part of units of ACF that provide similar services to other components.

Consequently, the interests and operation of OCSE are largely subsumed by, and subordinate to, the larger interests and operation of ACF. There is logic to grouping these programs within the same umbrella agency. They are all concerned with providing services to children and families. Operationally, however, this grouping serves to diminish OCSE, which now lacks both the stature and funding priority it enjoyed in former years. Certainly the generally tighter budgets of the last several years directly impacts the resources that the federal government is able to devote to the program.

While the technical head of OCSE is the Director of ACF, who reports to the Secretary of DHHS, the day-to-day leadership of the agency is provided by a Deputy Director. The organizational structure of ACF is such that the Deputy Director of OCSE does not supervise the federal OCSE staff in the ten federal regions or direct that component of the agency responsible for automation efforts at the federal and state levels. These components report through separate chains of command to the Assistant Secretary.

As the Commission heard testimony, evaluated the effective practices and problems of child support agencies, and formulated recommendations, a consistently expressed and urgent need emerged for a strong leadership role by the federal child support agency.

The complex goals and structure of the program, the multilevel legal remedies and its ever increasing caseloads demand that the federal government provide:

- A visible federal agency as the focal point of the program to coordinate its many activities and to report its needs and achievements in a balanced manner;
- Strong leadership role by the federal child support agency giving direction to the states and working with professional groups representing the varied interests in the program to ensure that the program goals are attained;
- Adequate resources at the federal level to provide the quality training, technical assistance and direction necessary to support the rapidly growing state and local program; and
- Contribution to the overall performance of the program with the same degree of interest and creativity that successful state and local governments are able to achieve.

While many argue that the present structure and placement of OCSE within ACF is a problem due to the variety of responsibilities that are a part of ACF, others argue that the issue is one of resources and emphasis. The Commission believes that the kind of leadership needed in the child support program requires the clear lines of responsibility and purpose of a true single, separate organization.

Alternative Organizational Designs Considered

In exploring ways to achieve this goal in the federal agency, the Commission considered the following options.

1. Movement of the OCSE to Another Federal Agency

   This federal agency's role would relate to the establishment and enforcement of child support. Proposals discussed included the movement to the Internal Revenue Service (IRS) or the Department of Justice. Proponents argue that these agencies' missions and procedures most closely relate to those of the child support program.

   When considering these options, the Commission was concerned whether the performance of the program would actually be enhanced by such a movement. IRS clearly has the advantage of being an entity with experience in collection of funds and enforcement of duties to pay. On the other hand, IRS has not in the past supported collection of child support through the offset provisions and has no history of administering programs that deal with state entities in federally funded/state administered programs. A child support program administered by the IRS would seem destined to emphasize the collection of public debts by working AFDC cases. The program's ability to achieve its other goals might be additionally threatened by removing OCSE even further from the Secretary.


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   The Department of Justice has the advantage of experience working with state administered programs. It, too, is perceived as an enforcement body. However, it has little experience in dealing with AFDC programs and social programs to which many aspects of the child support program relate. Given state and local experience when the child support agency is located in an organization whose main function is criminal prosecution, concern was raised over the priority which the program would be given within the Department of Justice.

2. Creation of a Separate Agency Managed by Appointed Commissioners and an Executive Director

   Another option for management of a federal agency with such a complex mission and such varied state and local involvement, is for the agency to be managed by five commissioners appointed by the Congress or the Administration. These appointments could be made for a period of 3 to 5 years and structured so that terms of members overlapped to ensure continuity as Commissioners changed office. The Commissioners would be paid for their service and could be either full or part time federal officials.

   The Commissioners could appoint an Executive Director of OCSE who would be responsible for implementing the policy directives of the Commissioners and the laws passed by the Congress. The Executive Director would be selected based upon knowledge of the program, proven management skills, and ability to communicate complex goals and objectives to officials at the state and local level.

   This organizational structure, similar to that of the Federal Trade Commission, would allow for direction of the program by persons interested in its goals and who had the respect of high level elected officials. At the same time, management of the program could be undertaken by a person whose skills included program experience and knowledge. Concerns raised about this option included the need for one clear "voice" to emanate from Washington to the states, and the need to coordinate the child support program's goals with other social and economic programs for children.

3. Strengthening the Role of OCSE within the Present Organizational Framework

   This option might involve:

   a) Delegation of program policy and operation to the Deputy Director of the OCSE with "veto" authority vested in the Director. This would ensure that the Deputy Director had the authority to provide leadership and to negotiate with states and other federal agencies in matters related to the administration of the program.

   b) Development of an advisory board of persons to assist in establishing and maintaining the program's goals and objectives. This option would allow the "outside" world to be a part of the decision-making process and provide input from the wide variety of groups that are affected by the program.

4. Creation of a Separate Organization within DHHS

   This option would create OCSE as a single and separate organizational structure within the Department of Health and Human Services with a Director whose sole responsibility would be child support enforcement. Different from the present and past organizations, this structure would provide for clear lines of authority under the immediate control of the Secretary. The post of Director would require Senate confirmation just as most of the other positions answering to the Secretary.

   Advantages of such an organization would include increased visibility of the program within the federal structure, independent budget authority and personnel allocations directly assigned to the program, and autonomy for OCSE to define program priorities and assign resources.

   Concerns considered in such an option include OCSE's ability to coordinate child support with other programs designed to serve the interests of children, the structure's inconsistency with the state structure in

which most child support programs operate, and a potential for further diminution of OCSE's importance within the government structure due to its relatively small budget and staffing level.

Rather than mandate a particular placement of OCSE, the Commission stresses policy considerations which should direct any congressional action. The Commission recommends that Congress structure the federal agency as a stand alone entity within a department with clear authority over all components of the program's operation. The appointment of an assistant secretary for the federal agency will ensure that the child support program has the status, budgetary authority and organizational structure to implement the changes in this report and to provide leadership to the states. Because of the complexity of the legal requirements of this program, the Commission recommends that the organizational structure include a legal counsel dedicated to child support policies.

The Commission feels that public and state opinions in the direction of this federal program are important. An advisory panel composed of all the varied officials and interest groups will ensure that input from these groups is an integral part of revised policies and procedures. This advisory panel would not have supervisory control over the agency, but provide "outside" opinions and input prior to publication of federal rules and regulations and provide oversight on the implementation of federal laws, policy and initiatives.

91 RECOMMENDATION

FEDERAL CHILD SUPPORT AGENCY STRUCTURE

a. OCSE should be headed by an assistant secretary who reports directly to the Secretary. The post would require Senate confirmation.

b. OCSE should have its own legal counsel.

[Federal plenary statute]

92 RECOMMENDATION

NATIONAL ADVISORY COMMITTEE FOR CHILD SUPPORT ENFORCEMENT

a. Congress should establish an Advisory Committee to provide guidance to the federal Office of Child Support Enforcement. This committee should have an independent budget authorized by the Congress and appropriated directly to the Committee.

b. The Committee would provide oversight on the implementation of federal laws and regulations and operation of federal, state and local child support programs. It would also provide forums for identification of problems experienced by parents, state agencies, courts, and the private bar, and report to the Secretary and Congress on problems and solutions.

c. The Committee should be appointed by Congress and the Secretary of the Department of Health and Human Services. Members should be appointed to include the following groups and/or individuals:

1. AFDC recipients
2. state child support agencies
3. state human service agencies
4. judges
5. court administrators
6. business and labor organizations
7. state legislators
8. members of the private bar
9. law enforcement officials [sheriffs and/or police]
10. National Conference of Commissioners on Uniform State Laws
11. demographers
12. advocates for custodial and noncustodial parents
13. state prosecutors
14. the Department of Health and Human Services

[Federal plenary statute]

In addition to this standing advisory body, the Commission acknowledges that Congress, executive and judicial branch agencies sometimes appoint other commissions to review matters of family law and policy, child and maternal health, and other issues related to children. The importance of the economic needs of the nation's children must not be ignored in these endeavors. Congress should direct that each body study the economic well-being of children, including child support issues.

93 RECOMMENDATION

FUTURE FEDERAL COMMISSIONS ADDRESSING CHILDREN'S ISSUES

Congress should ensure that future federal commissions or task forces established to address the well-being of children and families should examine the economic well-being of children, including child support issues.

[Recommendation to Congress]

Organizations testified that some parents do not pay support because of complex social and economic problems. These organizations list interference with visitation, unemployment, and punitive enforcement measures taken by state child support agencies as reasons for nonpayment of support. Indeed, they say that more holistic approaches to the problem would engender cooperation and give children both economic and emotional support. While the Commission believes that the issues of child support and other family matters should remain separate, a study of the reasons for nonpayment of support would allow policy makers to structure programs for the best interest of children.

94 RECOMMENDATION

STUDY ON THE REASONS FOR NONPAYMENT OF CHILD SUPPORT

Congress should fund a study to discover the cause of support delinquency for the vast majority of cases in order to develop appropriate access and support collection remedies.

[Federal plenary statute]

"The Federal Office of Child Support Enforcement fills an important leadership role in the child support process — a role I am committed to strengthening. We have already been active in the development of standardized forms, training materials, and automated systems. And continued improvement of interstate processes is at the top of my list of priorities for making child support enforcement more effective."

Jo Anne Barnhart, Assistant Secretary, Administration for Children and Families, U.S. Department of Health and Human Services.

Leadership

Whatever the placement of OCSE, the testimony of state officials, and the urgent need for better program performance shows that the program requires more aggressive leadership than it currently enjoys. The Commission sees a need for the federal agency to undertake specific activities:

1. Development of a mission statement that details the specific purpose and objectives of the program. Specifically, Congress and the federal agency should, with input from the states, develop a mission statement for the program emphasizing that the program's objective is to secure the economic well-being of children by establishing paternity and establishing, enforcing, modifying and collecting child support obligations, including medical support.
2. Development and implementation of strategies that raise the public's, state leadership's and other federal officials' level of knowledge, interest and commitment to the goals of the child support program. Specifically, the federal agency should

develop a marketing plan for the program to promote its goals and objectives, to report achievements, and engender support for the services it provides to children. Such a marketing plan should target Congress, state legislatures, public interest groups, professional groups, and the public at large.

3. Identification and development of program enhancements including support for legislation, procedures and new programs (i.e., teen parenting, outreach, court reform efforts, etc) that would increase the effectiveness of state child support programs. Specifically, the federal agency should designate sufficient, trained staff to evaluate the operation of the child support program at the federal and state levels. Federal staff should develop a long-range plan for the program. Included in the plan should be activities to improve the state agencies' abilities to establish paternity and support obligations, monitor, modify, collect, and enforce obligations. It should also include activities to organize and improve resources at the state and local level. The plan should include the potential impact of changes to law, policy, procedures, staffing, and organizational structure so that policy makers can assess the need to implement changes. The plan also should identify the areas of program performance that will be emphasized in the future, the expected impact of these changes, and the timeframes for suggested changes.

   The agency should use additional funds to plan and evaluate special initiatives undertaken by state and local governments to improve their abilities to establish, modify and enforce child support obligations.

4. Coordination of the child support program with federal agencies (Defense, Agriculture, Justice, IRS) and programs to ensure that those programs' laws, regulations and instructions support the states' efforts to enforce child support obligations. Specifically, leaders at the federal level should work with congressional leaders and related executive branch agencies, as well as the states, to coordinate the child support programs so that states receive clear, coordinated instructions on the manner in which federally funded programs should be administered. Such coordination should also include the development of instructions for federal agencies — whose employees or beneficiaries are parents of children — directing the agencies in how to support efforts to collect child support.

"We have also benefitted from a productive relationship with the Office of Child Support Enforcement. Regional and Central Office staff have been very helpful to us - including their Office of Audit."

Horace Satcher, Alabama IV-D Director.

95 RECOMMENDATION

FEDERAL LEADERSHIP

a. OCSE should exert more leadership in the administration of the child support program. OCSE should recognize that its priorities set the agenda and influence the manner in which state and local child support agencies provide services to parents.

b. OCSE should be required to initiate and actively pursue with other federal agencies, such as the Department of Defense, coordinated efforts on federal legislation.

[Recommendation to OCSE]

The Need for Clear, Consistent, and Timely Policy Direction

Presently, OCSE develops and promulgates regulations which govern state programs, develops and releases additional clarifying information on the federal rules, and answers policy inquiries that cannot be addressed by the regional offices. Repeatedly, the Commission heard testimony that, to ensure consistency and uniformity, states need federal regulations concerning child support procedures that are clear, direct, and published in a timely fashion. Additionally, federal staff in the central, and all regional offices, need to interpret and apply the policy in the same manner. States testified that policy is now often interpreted differently by regional offices and/or federal auditors.

The Commission identified the need for more timely issuance of federal policy to implement federal statutes, consistent interpretation of policy among the ten regional offices, consistent application of policy by the program officials and the auditors, and clear direction of program intent and goals through policy statements and regulations that support performance measures.

The preceding section describes the lack of authority and accountability that currently impede the setting of priorities by the day-to-day leadership of OCSE for the regional OCSE staff. Regardless of the location of the agency, field staff of OCSE, who are primarily responsible for interactions with state programs, must be accountable to central office OCSE staff.

96 RECOMMENDATION

FEDERAL REGULATIONS AND POLICY INTERPRETATION

a. The U.S. Department of Health and Human Services should be required to provide final regulations prior to the date on which states are required to implement a federal mandate. If the Secretary does not complete the final regulations on time, states should nevertheless be required to implement federal laws by passing state laws, developing state policies and procedures, and implementing changes in systems. Any audit of the state for periods after the effective date, but prior to the issuance of final regulations, should be done on the basis of federal statutes only.

[Federal plenary statute]

b. Congress should include a date by which final regulations should be published as a part of each federal mandate.

[Recommendation to Congress]

Technical Assistance to States

Congress provides that the federal child support agency work with states to assist them in developing effective systems for establishing paternity and collecting support. The federal agency currently provides technical assistance by:

- disseminating written material documenting "best practices" used in states (for example, publications on income withholding, parent location),
- working with other agencies and groups to develop new techniques and improve technology for use in the states (for example, the present work with the National Automated Clearing House to develop a protocol for transfer of child support payments via Electronic Funds Transfer and the coordination and leadership with judges through the Judicial Advisory Committees),
- working directly with state agencies through the regional offices to identify problems and suggest solutions,
- providing information on legal practices, suggested statutes and procedures and providing training to the legal community (for example, the current contract with the American Bar Association provides for development of written material, onsite training and special conferences),
- conducting training of state and local staff on effective techniques and program operations by OCSE staff at conferences and at special OCSE sponsored training events, and
- cataloging and disseminating training material for use by the states.

States testified that in addition to the annual audit, a more aggressive federal role in monitoring would enhance program improvement. Expansion of the present efforts of OCSE regional and central offices in reviewing policy and procedures, conducting special reviews of selected operations, and assessing and certifying statewide automated systems should include an annual comprehensive assessment of the IV-D program.

As the program requirements increase and states are responsible for more cases, the federal government can play a significant, proactive role in program improvement. This kind of assistance would also foster a greater degree of partnership between the state and the federal government.

97 RECOMMENDATION

TECHNICAL ASSISTANCE TO STATES

a. OCSE should annually review each state's policies, procedures, staffing, and organizational structure, including cooperative agreements.

b. OCSE should provide the state with a written assessment of the manner in which the state is conforming to the state plan. The assessment would include any problems noted and any potential penalties that would be imposed if the state is found out of compliance in the regular or special audits.

[Federal plenary statute]

Audits, Evaluations and Penalties

The child support program is a 16-year partnership between the federal government and the states. This partnership has evolved over time but has always included a "carrot and stick" approach to program improvement. The "carrot" is the very generous federal match funding of state child support programs, combined with financial incentives based on prescribed performance indicators.[3] The "stick" is the denial of this funding, which can be combined with substantial penalties. Fundamental to this approach is the federal audit of state programs, which is supposed to occur at least every three years.

How the Federal Audit Process Works

Title IV-D of the Social Security Act provides specific penalties against states for not meeting federal regulations and requirements of the Act. Specifically, the federal government withholds funding or requires states to repay funds paid in previous time periods.

The most serious penalty provided for in the Act is the withholding of certain federal funds. The federal agency must deny the state all funds for the operation of the child support program if the state does not submit a state plan or if its state plan does not demonstrate that the state can effectively provide all the child support services required in the Act and federal regulations. This evaluation is made when the state submits to the federal agency, a certification of the manner in which it operates its program and all related statutes. All plans require that the Governor of the state have an opportunity to review the plan prior to submission. Unique to child support is the related "penalty" of no federal funding for the Aid to Families with Dependent Children program for states which do not have an approved child support plan. The Act requires that a state's AFDC plan include a provision stating that there is an approved plan for child support; otherwise, the federal government may reduce funding for the AFDC program. While certain states have been notified that their state plans would not be approved unless specific action was taken (usually required legislation passed and implemented), all states have taken action to correct differences prior to any penalty against their AFDC and child support fund.

The federal government can withhold or deny funding for a specific expenditure if the expenditure is not for an activity that Congress has authorized the use of appropriated funds, if the expenditure is not considered reasonable and appropriate, or if sufficient documentation is not provided to determine the validity of the expenditure. All claims for federal reimbursement are

reviewed (and subject to formal audits) by the federal agency and the state is notified within a specified time of the acceptance, deferral or denial of funding request. It should be noted that federal funds are "advanced" to the state for the quarter in which they will be expended when a state submits a request for a quarterly grant award. The federal government recoups all deferrals, denials or penalties from the quarterly grant awards.

Performance audits of state child support enforcement programs are conducted by the Audit Division of the OCSE. These audits must be conducted at least every three years unless the state fails to pass a follow-up review after operating under a corrective action plan. In this case, the audit must, by federal law, be conducted annually until the state is found to comply with federal standards.

Penalties are assessed when the state has failed the audit but suspended while the state is under a corrective action plan. If the state passes the follow-up review, the penalty is not applied. If the state does not wish to submit a corrective action plan or ceases to implement the plan, the penalty is taken immediately and retroactive to the original penalty date. If the state completes its corrective action and still does not achieve compliance, the penalty is taken but only from the date specified by the Secretary as an appropriate time for the corrective action.

The operative word for the imposition of this penalty is "substantial compliance." To have the penalty invoked, auditors must find that the state failed to meet established performance criteria.

The federal audit process is a comprehensive analysis of the entire IV-D program within each state. The audit is designed to access whether the state is in "substantial compliance" with federal requirements. Federal audits have a three-part focus:

- an examination of the state's compliance with the federal requirements regarding organization of the child support agency and the written procedures required to implement the program,
- a review of case activity to assess the state's performance in providing required IV-D services in AFDC and nonAFDC cases, and
- an assessment of the state's collection and administrative reporting systems to determine the reliability of the data.

While the audit addresses each of these areas, the determination of compliance with federal requirements is made after an overall evaluation is made by OCSE using the three areas listed above and a "scoring" of the performance measured by criteria in OCSE regulations. The procedures used by the federal government for auditing states have evolved over the life of the child support program from a process that verifies that states have written procedures to implement the federal provisions to an audit that reviews and assesses the process and outcome of the IV-D agencies.

The penalty provisions for failing the audit have always been a part of the law but Congress "froze" the imposition of the penalty in the early days of the program until the early 1980's. In many persons' opinions this action made the audit process less credible. With the passage of the 1984 Amendments the criteria for the

audit were strengthened and the federal government began to issue letters of penalty to states.

The audit process is governed by a set of procedures to ensure consistency of the process. These include the GAO audit standards, an OCSE Audit Guide, OCSE and GAO standard training for audit staff, a review of audit reports (both in process and upon final completion) by area and regional supervisory staff, an independent reference to source documents, and a review of all audit reports by a central office component.

The detailed nature of the current audit process requires that the OCSE commit approximately 50% of its central office staff resources to the audit function.[4] OCSE reports that problems with state case management systems account for the labor intensive nature of and delays in completion of audits.

"Why is this information not getting down to the case? This report shows that states are dragging their feet on complying with the law — through understaffing, undertraining, and lack of information — and the federal government has not taken an active enough role in sanctioning these states.

Having fought tooth and nail for the enforcement sanctions contained in the 1984 and 1988 Child Support amendments — which dock states' welfare monies when they are not meeting federal standards — it is unacceptable that enforcement of these laws has not been adequate."

U.S. Representative Marge Roukema.

Suggestions for Improving the Audit Process

In discussing changes to the audit and penalty process, the Commission kept in mind that the manner in which states operate their child support programs is influenced in part by the possibility of penalties that the federal government can impose. Any change in the process to make the audits more timely should not decrease the validity of the audit findings. Such things as the size of the sample and the depth in which the auditor reviews the process may be points that are challenged by the state and on which the administrative tribunal or the courts may later rule to preclude the imposition of the penalty.

Options considered include:

1. The penalty process could be improved by a more aggressive use of the penalty regarding state plans. All IV-D funding presently can be withheld from states that do not have state plans that meet the criteria mandated in federal law and regulations. This penalty could be more useful if Congress would

authorize a penalty to be imposed if a state submitted a plan that was in substantial compliance with federal law, but failed to include one or more provisions. As an example, the state may have laws and procedures required by Title IV-D except a provision for withholding unemployment compensation. The federal government could impose a penalty as a percentage of the funds otherwise available for operating the IV-D program. Audits would not have to investigate provisions which the state does not have. This option has the advantage of imposing penalties without the complete denial of funds thus making the federal government more prone to impose such penalties. On the other hand, the graduated penalty may not be as large an inducement for states to pass laws and implement required procedures as now exists.

2. The audit process could be simplified by reducing the number of criteria that auditors examine to determine compliance. One option would be to only look at case processing requirements if a state failed the performance indicators. As now structured the auditors investigate the entire compliance issue even if the state fails to meet minimal performance criteria. (A note should be made that all states presently pass the outcome indicator measures.) This change would allow audit resources to be used to expedite the audits of other states or to perform special audits.
3. The penalty and incentive system could be improved if the federal government developed performance criteria that measured the states' abilities to obtain results in all areas of the program instead of just the state's cost-effective ratios and collection indices. These performance measures could be based on the functions of the program and derived from data presently reported to the federal agency. Since many organizations and individuals question the reliability of data reported by the states, any effort to develop performance measures should include a concerted effort to improve data collection and data reliability.

The American Public Welfare Association (APWA) has proposed a simplified approach by measuring the cost-effectiveness of cases mandated to cooperate with the child support agency and those that are not and by measuring only performance of paternity establishment and obligation establishment. This proposal is designed to focus on the outcomes of the program and to measure state performance.

The federal agency could determine the outcomes that are important to the successful provision of child support services. These performance criteria could be the basis of the audit with or without the process audit steps and could also be the basis of incentive calculations.

In discussing the audit steps in any revised scheme, the question that is most relevant for discussion is "Do you care how the end was achieved?" With the current process audit, the steps states go through and the techniques they use are important to Congress, the federal government and parents. For example, the federal requirements that states have and use laws to establish and enforce obligations give rise to federal audits on the use of these techniques and the timeframes in which the state provides the appropriate service. Clearly, even the addition of management reviews discussed under the policy function of the federal agency would not be as powerful an inducement to use the mandated processes as the audit process and the potential for reduction in funding.

Another issue in the imposition of penalties from the audit is results. As currently structured, the penalty is imposed against the funding of the AFDC program. The potential exists for harming the very children who have not received child

support if the state reduced AFDC benefits in response to a penalty. While the states that have been penalized to date have not done this, the Commission encourages Congress to study alternative penalty provisions that would not harm families. One option that many states and organizations see as beneficial is the imposition of a penalty that would go into an escrow account and released for the use of the child support program when the state made changes and passed the follow-up review.

The Commission heard wide-ranging testimony concerning the federal audit process, which was described as a time-consuming, labor-intensive, and costly activity for the federal government to undertake and for the states to endure. Problems with the audit include its length, the number of resources that states must invest in order for the audit to take place, and the long lag time that exists between years that being audited and the program's current operations. To streamline the current process, the Commission offers the following recommendations:

98 RECOMMENDATIONS

FEDERAL AUDIT PROCEDURES

a. The federal government should fund a study of OCSE's audit process to develop criteria and methodology for auditing state IV-D agencies. The study should by conducted by an independent, not-for-profit private organization with no previous ties to OCSE or a government agency. The study should result in improvements to the auditing process that include:

   1. reduction in the resources required to perform the audit,
   2. simplified procedures for states to follow in pulling samples,
   3. the feasibility of sampling cases for needed action as opposed to the present audit methods that require sampling plans for each audit criteria, and
   4. a more timely audit period of review.

b. The study should also be designed to determine a penalty process that focuses on improving the delivery of child support services and not harming families. Specifically, the penalty should not be tied to the reduction of funds available to the states to provide payments under the Aid to Families with Dependent Children program. Such a plan should include the escrowing of funds withheld as penalties for use by states in a federally approved program improvement.

c. OCSE's audit review should be limited to current, ongoing cases and cases closed within the past 180 days, unless there is a specific need for a longitudinal review of state agency case handling that includes cases that have been closed for more than 180 days. The criteria for longitudinal reviews shall be established by regulation.

d. OCSE should continue to impose timeframes for implementation and audit standards for each mandated function.

[Federal plenary statute]

Data Collection and Reporting

When the Commission conducted its study of interstate reform, it discovered early that statistical and fiscal information to determine the extent of the interstate problem and the impact of proposed changes do not exist. At the same time, the Commission notes the number of specific pieces of information that states are currently required to report to the federal government. Clearly, good management dictates a balance of information and the effort that staff must expend in securing that information. The Commission does not recommend routine reporting of additional data elements until a study determines that the information is needed and can be collected in an efficient manner.

Another problem noted in the present reporting system is the validity of the information reported by states. Lack of standard definitions of terms within the states preclude federal policy makers from comparing information among the states. The Commission commends OCSE for its initiative on reporting, specifically with the work it is doing with states to identify simplifications in reporting methods, standardized data definitions and elements for performance evaluation.

The federal government presently requires states to report a lengthy list of data on expenditures, collections and case activity. OCSE accumulates this information and includes it in the Annual Report to the Congress. This document, and the Census Bureau surveys, make the most comprehensive statistical and fiscal profile of the child support program and the results of government's efforts to provide child support services. Yet, even with this information many researchers and policy makers report that they, like this Commission, were unable to clearly define the problem and assess the impact of proposed changes. The Commission feels that a study of the information needed by persons interested in the child support program is warranted. Clearly, any study should include an assessment of the burden on state agencies in reporting information and alternative methods to obtain information.

Finally, it should be noted that federal reporting does not support program goals in two areas. States are required to report the amount of the child support collections distributed to parents in AFDC cases as a "pass through." This counts against the amount the state retains for reimbursement of AFDC grants. It is counter to the intent of the federal law that requires states to use the child support program to recoup federal and state expenditures for the AFDC program. Since the $50 "pass through" is an incentive for the AFDC custodial parent, the Commission recommends that reporting requirements change to show this is a split expenditure with the AFDC program. The federal law requires states to provide services to nonAFDC families in the same manner that it provides them to AFDC families, yet, in developing reports on the effectiveness of the program and in estimating the impact of child support collections on the federal budget, only the AFDC collections are used in calculating impact. The Commission recommends that the federal government highlight the avoidance of cost of AFDC and related economic services to children in its annual report to Congress and in its budget submissions.

99 RECOMMENDATION

DATA COLLECTION AND REPORTING

a. The U. S. Census Bureau should include specific questions regarding interstate child support cases on its survey regarding receipt of child support and alimony.

   1. Survey questions should determine the number of parents whose whereabouts are unknown, the number of parents whose address is unknown, but the last known residence was in a state other than the residence of the child, and the number of parents who reside in foreign countries.

   2. Survey questions should determine the number of cases in which collections are made by a public agency.

   3. Survey questions should determine the number of cases in which child support obligations were established by a court or administrative agency in another state.

   4. The survey should include all children of the parent being interviewed as opposed to the present practice of collecting information on the children of the last spouse of the respondent.

b. The federal Office of Child Support Enforcement should conduct a study to determine what data the states should report to the federal government on the operation and performance of its child support enforcement program. This study should address the needs of states, the federal government, the public, Congress, and persons conducting research in family law and child support.

c. The $50 "pass through" should be treated as one-half IV-A funding and one-half IV-D funding. OCSE's budgetary and annual report to Congress should reflect this allocation.

d. In its budget and annual report to Congress, OCSE should develop and use a reporting methodology that reflects cost avoidance of the IV-D program a well as cost recovery.

[Federal plenary statute]

Child Support Assurance

Child Support Assurance is a plan to guarantee every child a certain level of financial security. It has three prongs: awards established pursuant to a support guideline, increased enforcement through such means as immediate income withholding, and assured minimum benefits.[5] The first two prongs are already mandated through federal legislation. The third prong has been the subject of much debate in the past few years. This debate has been coupled with proposals to federalize all or part of the child support program. The Commission beleives that Child Support Assurance can operate with the state based system recommended by the Commission.

In 1990, only 58% of custodial mothers entitled to support received any payments for their children.[6] Without adequate financial resources, many children fail to thrive. They do not receive a proper diet, necessary medical care, or opportunities that stimu-

late their physical, intellectual and emotional development. The Commission notes, with interest, proposals for programs in which the federal government insures that children receive a certain financial benefit and recommends that pilot programs be funded.[7] If an obligor fails to pay his or her ordered support amount, the federal government would forward to the custodial parent the difference between the assurance amount and the awarded support. Some members of the Commission feel that the current economic plight of children dictates that Congress take action to establish a national system to ensure that children receive a minimum level of financial security. Other members, concerned that child support assurance will only be another form of welfare, entirely oppose such programs.

Child support assurance differs from welfare in several important ways. First, the assured support payment is not income tested. Any custodial parent is eligible to receive an assured payment. Second, it does not discourage work. Under the current AFDC program, every dollar a custodial parent earns potentially reduces the amount of AFDC benefits for which the parent qualifies. A child support assurance plan does not base the amount of assured payment on a parent's earning. Therefore, during the fragile transition period when an AFDC parent is attempting to be self-supporting, the parent receives the child support assurance payment in addition to his or her earnings. Third, child support assurance will lead to enhanced support for our nation's children since a parent will be unable to receive the assured payment unless the parent cooperates with the government officials attempting to enforce support. Fourth, it does not stigmatize the recipient as does welfare. Receipt of child support assurance has no connotation of "being on the public's dole" since anyone qualifies, regardless of income. Finally, child support assurance properly focuses society's attention on the obligated parent. Rather than the public's pointing a finger at the custodial parent as so often occurs with welfare, the public's concern will be directed toward the parent who has abrogated his or her support responsibility.

Although some type of child support assurance exists in several European countries,[8] it has never been tested in the United States. Wisconsin planned to implement child support assurance in several counties but the funding for the project was subsequently vetoed. New York is testing a Child Assistance Program (CAP) in seven counties, but it differs substantially from child support assurance. CAP is limited to AFDC recipients. It allows them to keep more of their earnings than under regular AFDC rules if the family has a support order. The result is similar to an increased federal pass-through for child support. Unlike child support assurance, CAP does not guarantee a minimum child support payment.[9]

Before deciding whether to implement child support assurance at the national level, the Commission recommends that Congress establish demonstration projects. There are a number of unanswered questions that such projects could address. For example, should receipt of child support assurance depend upon the existence of a support order?

Proponents of requiring an order believe that the requirement would encourage early establishment of parentage and support. Others point out that 62.9% of low income custodial parents lack support orders.[10] There may be several valid reasons for the lack of an order — inability to locate the absent parent, fear of the noncustodial parent — that are outside the control of the custodial parent. By requiring a support order, one eliminates the very group of people whose children are most in need of financial support. Another question is how receipt of the assured payment should affect need-based benefits such as AFDC. Some people suggest that child support assurance should reduce the parent's AFDC grant $1 for $1.[11] The National Commission on Children recommended that a parent's AFDC benefits should be reduced by approximately 50 percent of the amount of the guaranteed child support payment.[12] The Commission recommends that these and other issues be tested by the demonstration projects.

The evaluation report from such projects will be crucial. In designing the evaluation, the Commission recommends that Congress include a study of the impact of child support assurance on the economic well-being of participating children and their parents, on AFDC participation rates and grant levels, and on support collections in both intra- and interstate cases. Although the effect of various guidelines on the administration of child support assurance should also be evaluated, the Commission cautions Congress not to limit its study of guidelines to the context of child support assurance. The most effective guideline for meeting children's needs and the various transitions families undergo is not necessarily going to be the guideline that is "easiest" to administer for child support assurance purposes.

Reliance on payment of support by parents is a hit and miss proposition for millions of our nation's children. Child support assurance provides a safety net of support. It is beneficial to single parents of all incomes, but may be crucial to low income parents — especially those parents who are attempting to become self-sufficient. Child support assurance warrants further study. It comes with a cost. However, that cost could be a solid investment in our children if the results of an assurance plan are more serious enforcement efforts by state and federal governments and a public attitude that no longer tolerates nonpayment of support.

100 RECOMMENDATION

CHILD SUPPORT ASSURANCE

a. The federal government should fund demonstrations in states to determine the feasibility and utility of a child support assurance program. Projects should test alternative administrative procedures and agencies responsible for making payments and funding processes. The state agency administering the Title IV-D program should be an integral part of the planning and evaluation of the demonstration.

b. In establishing criteria for demonstration projects, Congress should:

1. require that in order to be eligible for the assured child support benefit, the child's caretaker must apply for IV-D services;

2. require that the child support assurance be available to the extent that a child does not receive a specified minimum level of child support from the noncustodial parent;

3. decide whether participation should be limited to any child [with a living noncustodial parent] for whom a child support order is or has been sought or obtained or who meets "good cause" criteria for not seeking or enforcing a support order;

4. decide whether demonstration projects should be established only in those states that are currently at or above the national median paternity establishment rate [as defined in section 452[g][2] of the Social Security Act] and that provide assurances they will continue to improve their performance in: [1] the number of cases in which paternity is established; [2] the number of cases in which child support is ordered; and, [3] the number of cases in which child support is collected;

5. specify whether the receipt of child support assurance creates an assignment of support rights, such as created by receipt of public assistance, to the extent of the amount of child support assurance received. If the federal government does become subrogated to the rights of the caretaker to enforce and collect the support order up to the amount of child support assurance provided, federal regulations should provide clear instructions regarding distribution of any support payments received from the obligor;

6. specify how receipt of child support assurance will affect a state's collection of incentives and federal financial participation.

7. that in selecting the demonstration sites, Congress should ensure, to the extent possible, that those states selected use a variety of support guideline models.

8. that in evaluating the child support assurance demonstration projects, Congress should examine the following:

   a. the impact of the project on the economic well-being of children and adults in both custodial and noncustodial households;

   b. the impact of the project on AFDC participation rates;

   c. the impact of the project on interstate collections as well as on intrastate collections from noncustodial parents.

c. When evaluating the assurance projects, Congress should not solely concentrate on the type of guideline used in a particular state, especially to reach a conclusion that one type of guideline is preferable to another for the purpose of the establishment of a national child support guideline.

[Recommendation to Congress]

Endnotes

[1] See 42 U.S.C. section 652.

[2] Mission of the Administration for Children and Families

[3] See 42 U. S. C. sections 655 and 658.

[4] U. S. Dept. of Health and Human Services, *Child Support Enforcement, Fifteenth Annual Report to Congress for the Period Ending September 30, 1990* (Washington, DC: Government Printing Office 1992), p. 109.

[5] U. S. Dept. of Commerce, Bureau of the Census, *Current Population Reports,* ser. P-60, No. 173, *Child Support and Alimony: 1989* (Washington, DC: Government Printing Office 1991), p. 6.

[6]

[7] For example

[8]

[9]

[10]

[11] National Commission on Children, *Beyond Rhetoric: A New American Agenda for Children and Families* (Washington, DC: Government Printing Office 1991), p. 100.

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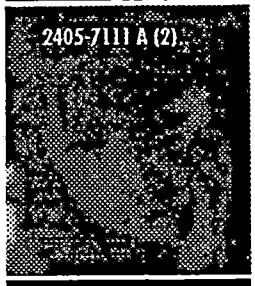


The Child Support System's Current Response

Chapter 2

Background of the Child Support Program in the United States

Traditionally, family law in the United States has been based on state law. However, since 1975, child support enforcement has had a different legislative experience. With nonsupport of children a costly national disgrace and support obligations created and enforced against family members who move from state to state, Congress, in 1975, created the child support enforcement program. This program is referred to as "IV-D" because of its genesis in Title IV-D of the Social Security Act. The IV-D program requires federal, state, and local participation.

The federal Office of Child Support Enforcement (OCSE) regulates the program and assists states in developing state child support programs. Initially, the federal government offered states a 75% match rate and incentives based on state collections. In return, the states designated a single agency charged with five broad responsibilities:

- Locating absent parents,
- Establishing paternity when necessary,
- Establishing and modifying support obligations,
- Enforcing support obligations, and
- Cooperating in interstate enforcement.

Congress left details of state program operation, including the location of the program within the state bureaucracy, to state policymakers. A few states already operated child support enforcement programs. For most states, however, the federal law meant the development of a new program, whose emphasis was largely placed on AFDC cost recovery.

The creation of a federal-state child support program was a profound investment by Congress in the financial security of children. Title IV-D resulted in increased collections of support. However, OCSE's Annual Reports to Congress documented a disparity in state performance. In FY 1983, eight states accounted for nearly 66% of total collections and only 15 states were above the national average in their ratio of total collections to administrative costs.

At the same time, policymakers increasingly recognized that nonsupport contributed to the growing rate of poverty among single-parent families headed by mothers. Alarmed at the rising number of children living in poverty and the states' slow response in developing their IV-D programs, Congress initiated a reform that resulted in amendments to Title IV-D. As part of that effort, OCSE, state officials, and Congress reviewed the child support enforcement program's strengths and weaknesses. This analysis showed that the most efficient and effective programs shared certain procedures and laws. Based on proven state practices, Congress mandated the adoption and implementation of a series of state laws and procedures in the Child Support Enforcement Amendments of 1984 (CSEA).

The Child Support Enforcement Amendments of 1984 (Public Law 98-378) were unanimously adopted by Congress. They set a new, aggressive tone for addressing nonsupport and assure the availability of services to *all children.* The law builds on the best practices of successful state programs and has major impact on state child support enforcement in four areas. First, the law mandates that child support services be made available to all children regardless of their welfare status. Second, it specifically mandates that states adopt proven enforcement laws and procedures. Third, it emphasizes interstate enforcement and allocates funds for improving interstate collections. Fourth, the law restructures federal financial participation and audits.

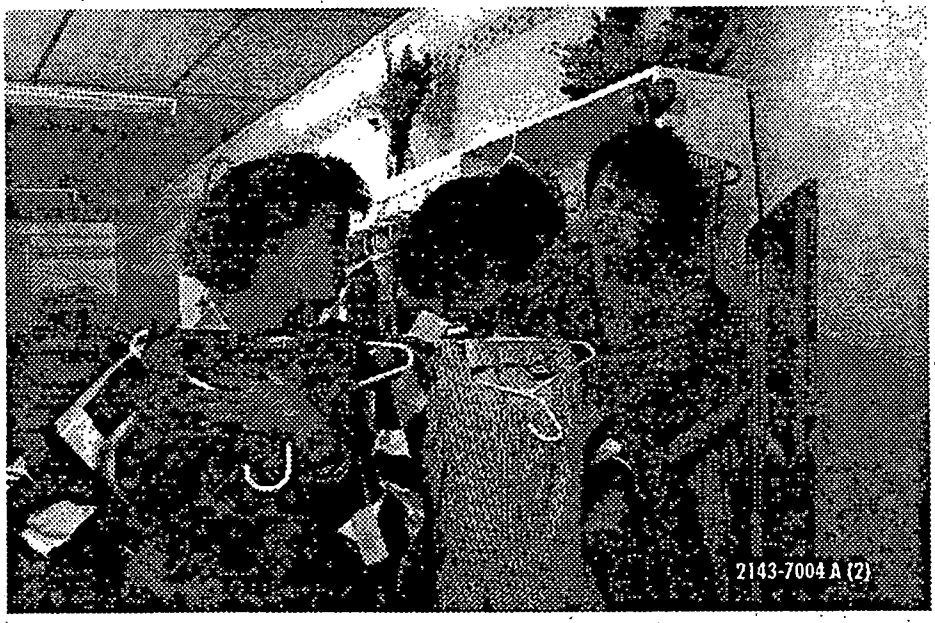
Mandating that services be made available to *all children* clarifies the intent of the IV-D program. Since the program's inception, financing for nonAFDC clients had been at issue and

some states had provided IV-D services only to families receiving AFDC. The CSEA mandate that every state agency open its doors to all families. For such service, the federal government provides incentives. In addition, states are required to publicize regularly the availability of child support enforcement services. Complying with the law has changed the focus and scope of the program in many states. The IV-D program is no longer a simple AFDC cost recovery initiative. The emphasis has shifted to cost avoidance and service delivery for all families needing support.

Regardless of this change of emphasis, however, many families choose to establish and/or enforce legal support obligations without assistance from the IV-D program. Research conducted for the Office of Child Support Enforcement suggests that the nonIV-D caseload may be as much as three times larger than the current IV-D caseload.[1]

The Child Support Enforcement Amendments of 1984 exert a major influence on how state and local child support enforcement programs operate. A number of provisions are detailed and specific, requiring changes in state law, judicial procedure, and program operations. The most significant are those calling for wage withholding, expedited hearing procedures, tax intercept, formulation and promulgation of guidelines for support awards, heightened public awareness of the IV-D program and its services, and availability of paternity establishment assistance until the child's 18th birthday. State compliance with federal requirements can be enforced by OCSE with a sanction of up to 5% of the federal financial AFDC match.

Adding more impetus for change was the authorization in the CSEA of $34 million for state-level demonstration projects testing innovative methods for enforcing interstate child support obligations. But most notable among the incentives for change is the revision of the IV-D program's federal funding structure. Based on the results of a U.S. General Accounting Office study, the incentive structure for states has changed from 12% for AFDC collections only, to a formula counting collections for *all cases*. In interstate cases, both the initiating and responding state receive incentives for collections on IV-D AFDC and nonAFDC cases.



Congress designed the financial restructuring of the IV-D program to reduce federal funding and increase the financial commitment by state and local governments. The federal matching rate for administrative costs was reduced from 75% to 70% with provisions to reduce it to 68% in 1988 and to 66% in 1990.

As states implemented the CSEA, child support collections continued to increase. In 1988,

Congress decided to further strengthen the IV-D program. It passed the Family Support Act of 1988 (Public Law 100-485).

The Act broadens the mission of the child support enforcement program by making it a central part of welfare reform. It provides incentives to states for helping individuals become responsible parents by making the IV-D program and the Jobs Opportunities and Basic Skills Training (JOBS) program available not only to custodial parents, but to noncustodial parents in some cases. By requiring that state agencies cooperate in operating these programs, the Family Support Act creates an opportunity for coordinated planning among agencies that will strengthen the programs.

The Act strengthens the CSEA by requiring immediate income withholding, presumptive support guidelines, and the periodic review and adjustment of IV-D orders. The Act also requires that IV-D agencies provide timely services and better information to families. Implementing federal regulations require IV-D agencies to seek medical support when the noncustodial parent has coverage available through an employer or a group plan. Medical support is important for a custodial parent who is no longer eligible for AFDC and Medicaid and does not have medical insurance. The Family Support Act also requires that all states have automated systems for tracking and monitoring child support payments by October 1, 1995. These systems are designed to speed collection, distribution, and enforcement.

The Child Support Enforcement Amendments of 1984 and the Family Support Act of 1988, together with recently published federal regulations, make substantial progress toward ameliorating problems associated with the interstate enforcement of child support obligations. Specifically, requirements that each state (1) enact and implement procedures for interstate wage withholding, (2) enact and implement expedited judicial or administrative procedures for intrastate and interstate actions, (3) extend federal income tax refund intercept to all IV-D nonAFDC cases, (4) perform interstate locate, (5) establish a central registry, (6) advance the cost of genetic testing when initiating an interstate parentage case, and (7) use standard forms for interstate case processing activities will greatly improve the processing of interstate cases. It should be emphasized that child support agencies have also strived to provide needed services to children in interstate cases. Indeed, IV-D interstate collections have increased from in each year.

In spite of this progress, much remains to be achieved. As the following pages illustrate, the establishment and enforcement of interstate child support obligations is besieged by at least as many problems as that of the intrastate caseload and still appears to lack priority among the states and the federal government.

Relationship of AFDC to Child Support

Paternity establishment and child support are the rights of every child. The custodial parent, as the child's guardian, exercises these rights for the benefit of the child. Each applicant for AFDC benefits is required, as a federal condition of eligibility for AFDC, to assign child support rights to the state. When the parent assigns child support rights to the IV-D agency, he or she gives the agency the legal rights to pursue paternity and support for the child. The parent and child receive the AFDC grant and related assistance, and the IV-D agency attempts to locate the noncustodial parent, establish paternity, and obtain support.

Most states accomplish this assignment of support rights by having the custodial parent sign an application for AFDC which includes a notice that the rights have been transferred to the state. The AFDC program automatically refers information that the AFDC applicant provides to the IV-D child support agency. A IV-D child support case is then opened. In some instances, the child support agency requires a follow-up interview with the custodial parent.

After applying for AFDC and assigning the support rights, the custodial parent must cooperate in locating the other parent and securing child support by providing information to the child support agency. The state may deny the custodial parent his or her portion of the AFDC grant for refusal to cooperate with the child support agency unless "good cause" is shown. "Good cause" may be granted for any one of the following reasons:

- cooperation is expected to result in serious physical or emotional harm to the child,
- cooperation is expected to result in serious physical or emotional harm to the caretaker relative, which will reduce the caretaker's ability to adequately care for the child,
- the child was conceived as a result of incest or rape (other than statutory rape), and the agency "believes that because of [this circumstance], proceeding to establish paternity or secure support would be detrimental to the child for whom support would be sought," or
- adoption proceedings for the child are pending or the parent is attempting, with the help of a social agency, to decide whether to keep the child or relinquish the child for adoption, and the agency "believes that because of [this circumstance], proceeding to establish paternity or secure support would be detrimental to the child for whom support would be sought."[3]

Referral to the child support agency broadens the possibility for economic support beyond the AFDC grant amount. The AFDC family receives the first $50.00 timely paid to the child support agency in addition to the AFDC grant. The $50.00 amount is called the "$50.00 disregard" or "pass-through" because it is not calculated as income for AFDC eligibility and it raises the cash income of the family. In some states, when the AFDC payment is below the standard of need established by the state, support payments up to the amount of the difference between the AFDC payment and the standard of need are also passed on to the family. Child support agencies must forward to the family, support collected greater than the amount of the AFDC grant. However, excess child support, unlike the $50.00 disregard, counts as income and will reduce the AFDC grant amount dollar for dollar. AFDC is terminated when a pattern of regular support payments is established that is greater than the AFDC grant amount.

Interstate Child Support Enforcement FY 1990 Performance Data

Requests Sent To Other States	477,637
Requests Received From Other States	422,647
Cases With Collections Sent to Other States	795,537
Cases With Collections Rec'd from Other States	752,179
Total Collections Made on Behalf of Other States	$457,254,889
Total Collections Rec'd from Other States	$367,845,495

Source: *Child Support Enforcement: Fifteenth Annual Report to Congress for the Period Ending September 30, 1990 (1992).*

Interstate child support cases differ from intrastate child support cases only in that a parent resides in a different state from that of the other parent and the child. However, this difference of residence historically has enormously complicated the process of establishing and enforcing child support obligations. Some of these complications

are real; others are perceived. But their consequences are unmistakable.

Problems of jurisdiction, choice of law, and selection of remedy are real. So are staffing and resource shortages, inadequate automation, insufficient training, and caseload management difficulties. Nevertheless, powerful remedies do exist, especially as a consequence of the Child Support Enforcement Amendments of 1984 and the Family Support Act of 1988. Too often, practitioners rely excessively on inappropriate remedies because they are unfamiliar with newer alternatives. The following discussion provides an overview of current interstate support remedies.[4]

Long-Arm Statutes

Even though an obligor may be located in a different state from the obligee, he or she may be subject to the jurisdiction of the courts in the obligee's state via the state's long-arm statutes. Long-arm statutes may be used to establish paternity, establish support awards, and enforce support orders. In such cases, the "long arm" of the law of the state in which an incident occurred reaches out to the out-of-state person so that issues relating to the incident may be resolved where they occurred. Long-arm jurisdiction allows interstate cases to be handled in-state, without the necessity of using another state's child support agency or court system.

Long-arm statutes may be used in IV-D or nonIV-D cases. Once the court obtains jurisdiction over an obligor in an establishment case, it generally has continuing jurisdiction to enforce or modify the order. To enforce the order, the court may exercise jurisdiction over the obligor, the obligor's assets, or the obligor's employer (or other source of income), provided they are within the reach of the court. Often, the state can also gain access to income earned by obligors who reside outside the state if their companies do business within the state.

The Uniform Reciprocal Enforcement of Support Act (URESA)

URESA is a model act approved in 1950 by the National Conference of Commissioners on Uniform State Laws and the American Bar Association. Amended in 1952 and 1958, and substantially revised in 1968, it provides both civil and criminal mechanisms for establishing and enforcing child support obligations. Unfortunately, URESA has been enacted in various forms throughout the states. The variations in provisions cause processing variations from state to state, as well as from county to county in some instances. In turn, these variations cause frustration and delay for attorneys handling URESA cases and for the parties they represent.

Another drawback of URESA results from the fact that its initial drafting and subsequent revisions took place prior to the passage of Title IV-D of the Social Security Act. URESA, therefore, does not anticipate or mesh with the current IV-D operation of the child support program. In fact, "The advent of Title IV-D of the Social Security Act and interstate income withholding are two legislative changes which have so impacted on URESA that there is a strong need for the National Conference of Commissioners on Uniform State Laws and state legislatures to reexamine and amend URESA's provisions."[5]

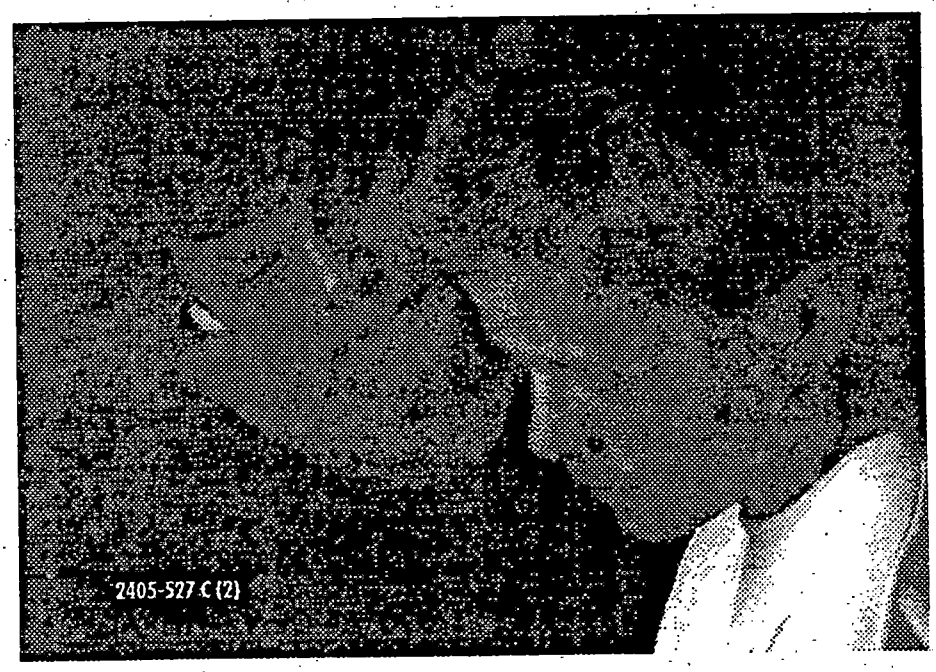
The National Conference of Commissioners has undertaken this task, and hopes to approve a new interstate support act by August 1992.

Parents and agencies may seek the following relief under URESA:

- establishment of paternity
- establishment of a support award
- enforcement of an existing order
- collection of arrears
- reimbursement of public assistance.

Unless specifically stated, a URESA order does not affect the terms of any existing order.

Obligees and their attorneys most frequently use the civil provisions of URESA - both the petition and registration procedures. However, URESA also provides an interstate criminal enforcement procedure that facilitates the extradition of an obligor who has been charged with the crime of nonsupport. URESA requires the Governor in the responding state to surrender the obligor to the Governor of the initiating state. Normal extradition procedures are followed, except that the demand does not need to show that the obligor has fled justice or that the obligor was in the demanding state at the time of the offense. The Governor in the responding state may refuse to surrender the obligor if he or she is complying with an existing order, if the obligor has prevailed in a previous support action, or if the Governor believes that a civil remedy may be effective.



Interstate Income Withholding

Federal law now requires states to provide immediate income withholding for all IV-D cases issued or modified on or after November 1, 1990, and for all nonIV-D cases initially issued on or after January 1, 1994, unless good cause is established or the parties have entered into a written alternative agreement. This means that each state now has in place a system under which support payments can be withheld from the wages or other income of an obligor. Federal law further requires each state to extend its wage withholding system to include income earned within the state by parents with support obligations in other states. A highly effective remedy, interstate income withholding requires jurisdiction over the source of income of the obligor, rather than the obligor.

A Model Interstate Wage Withholding Act was drafted by the American Bar Association and the National Conference of State Legislatures to assist states in their efforts to pass their own statutes. To date, however, only 11 states have substantially enacted the Model Interstate Wage Withholding Act and the process is not yet working smoothly. The General Accounting Office reports as of February, 1992: "Interstate wage withholding is not working in the manner that Congress and HHS expected, and is not working well. With more than six different procedures in use across the country, uniformity is lacking. Moreover, heavy reliance on nonuniform URESA procedures continues, in part because offices believe they need URESA to enforce wage withholding when it is coupled with requests for other congressionally mandated enforcement remedies."[6]

As they attempt to implement income withholding, IV-D agencies complain about the lack of uniform procedures from state to state and problems identifying where to send requests. Requests take too long to process and often

contain incomplete or erroneous information. Finally, IV-D agencies complain that delays waiting for court hearings hinder the wage withholding process. States attribute these problems to large caseloads, insufficient automation, ineffective central registries, and insufficient training of caseworkers. Additionally, local child support agencies report a preference for serving income withholding orders directly on out-of-state employers (which is currently not permitted by regulations) or on registered agents located within the state (which is permitted and generally encouraged).[7]

Federal and State Income Tax Refund Interception

Federal law requires states to enact laws and have procedures to intercept federal and state income tax refunds to satisfy child support debts in IV-D cases, regardless of AFDC status. In interstate cases, the submitting state must notify any other state involved in enforcing the order, both on submittal to OCSE and on receipt of any funds from the IRS. The requirements regarding notice to the obligor are essentially the same as for intrastate cases. The obligor can request an administrative review in either the submitting or rendering state.

Requests for interstate enforcement via state income tax refund offset are handled differently from state to state. Some states require that the order become a "local" order, via URESA, administrative process, or the Uniform Enforcement of Foreign Judgments Act. Again, once the responding state receives the request for a tax refund offset, it must handle the case as expeditiously as if it were an intrastate case.

IRS Full Collection

26 U.S.C. Section 6305 (1982) provides that the IRS, upon receiving certification of a child support delinquency from the Secretary of Health and Human Services, must attempt to collect the debt with all of the resources available for collection of a tax debt. IRS full collection is only available in IV-D cases. Child support agencies attempting to use this remedy must verify the obligor's address and employment information, identify assets or income sources subject to levy, and prepare paperwork and documentation required by the IRS. The application is reviewed by the appropriate ACF regional office and, if it meets all requirements, is forwarded by the regional office to the appropriate IRS Service Center. The IRS is responsible for providing notice to obligors for all cases that it accepts. If the obligor does not pay the arrearage, the statute authorizes the IRS to seize property of the obligor.

Petition in Federal Court

42 U.S.C. Section 652 (a)(8), and 660 (1982 & Supp. IV 1986) give the U.S. District Courts jurisdiction to hear and determine interstate IV-D cases certified by the Secretary of DHHS. The state IV-D agency must request certification and include evidence that the state in which the obligor resides has not tried to enforce an existing order within 60 days of receipt of the enforcement request by the originating state. The IV-D agency must also certify that use of the District Court is the only reasonable alternative for enforcing the order. Another basis for federal court jurisdiction is diversity jurisdiction, where the arrearage resulting from nonsupport is in excess of $50,000.

Felony Nonsupport

If the crime of nonsupport exists within the state, it is possible to file felony nonsupport charges against the out-of-state obligor, obtain a warrant, and place it in the interstate computer network maintained by law enforcement agencies.

The Uniform Enforcement of Foreign Judgments Act (UEFJA)

There are two versions of this uniform act, which has been enacted in 36 states. Essentially, UEFJA provides a mechanism for judgment creditors to enforce out-of-state ("foreign") judgments in any state where the debtor is found or has property, provided that the state has enacted UEFJA. UEFJA only requires enforcement of final orders subject to full faith and credit. Such orders in the child support context are accrued unpaid arrearages that may or may not have been reduced to a sum-certain judgment. To use UEFJA, the obligee must file a certified copy of the judgment and an affidavit setting forth the name and last known address of the obligor with the clerk in the obligor's court. The clerk of court will then notify the obligor, who may stay execution by filing a motion to quash registration or enforcement of the judgment. Defenses typically include statutes of limitations and lack of "full faith and credit" due to jurisdictional problems.

Interstate Enforcement Against Military Personnel

A recently published monograph on Child Support in the Military exhorts child support workers to pursue child support cases involving military personnel "to the best of your state's authority."[8] It encourages states in the absence of a valid support order to seek personal jurisdiction through residence, consent, presence, or domicile; to use long-arm statutes, wherever possible; or to use URESA. Sources for location of servicemembers include the Worldwide Military Locator Service, the FPLS, local military facilities, and installation locator services. While mail service of process is most convenient, personal service may be possible, especially if the servicemember is on leave.

Paternity proceedings may cause additional delays and obstacles in case processing, but recent changes in Department of Defense policy concerning court orders can be helpful, as can genetic testing contracts with labs that deal with interstate and overseas cases.

Determining the support obligation in a military case also can be complicated by the nature of military pay, some of which is taxable, and some of which is not. Persons preparing cases must check Leave and Earning Statements as well as other indicators of in-kind benefits and allotments to determine the servicemember's ability to pay. Particularly effective enforcement remedies available for use on servicemembers include writs of garnishment, wage withholding, involuntary allotments against military pay, and collection of retirement pay through the Uniformed Services Former Spouses' Protection Act.

Enforcement in International Cases

To date, the United States has not ratified any of the international treaties that would permit the international establishment and enforcement of support obligations. However, under URESA states have worked out reciprocal enforcement arrangements, based on comity, with approximately 23 foreign jurisdictions. Other strategies for pursuing international establishment and enforcement of support include retaining private counsel in the foreign jurisdiction, instituting criminal proceedings against the obligor, and seeking garnishment and attachment of the obligor's assets. Although complicated by the international element, cases involving parties in different countries can be processed through specific strategies for service of process, discovery and obtaining of evidence, the authentication of foreign public documents, and overseas notarization.

"We now have the toughest child support laws ever on the books, and these laws, I think, are bearing fruit. . . . But more clearly needs to be done particularly in cases that involve interstate parents. According to the General Accounting Office, the average interstate child support collection case takes well over one year to resolve, and actually that's a very generous figure. It sometimes goes as far as two to three years by the time the whole process is concluded.

That's a long time for children to go without financial support. A more effective and efficient child support enforcement system will not end all poverty or welfare dependency among children or single parent households, but it will improve life for those who are impoverished solely because one parent evades the obligations of parenthood and the obligations that they have under the law."

U.S. Senator Bill Bradley.

Summary of Interstate Child Support Problems

The original IV-D legislation allowed for considerable flexibility in child support program legislation, structure, and operations at the state and local levels. State programs reflect a wide range of structures — from a highly centralized, state-level operation, operating primarily through administrative practices authorized by state legislation to diverse regional operations loosely administered by the state, with considerable involvement of the judiciary. This flexibility, while deemed politically necessary when Title IV-D was enacted, has caused particular difficulties in the arena of interstate child support enforcement, where a "case" travels across state lines.

No matter what validity is attached to the data compiled by the federal Office of Child Support Enforcement, it is clear that the interstate child support caseload is large, growing, and challenging to work. This section explores the problems afflicting the establishment and enforcement of interstate child support obligations. It focuses particularly on the legal complexity of the case processing environment and on the challenges created by the multiple players involved in the interstate process.

"One major problem I have observed . . . is the lack of continuity among the laws of different states. . . Due to the fact that URESA is implemented differently depending on the state, these cases become exercises in frustration and futility."

Sandra Feld, National Child Support Advocacy Coalition.

Myriad Laws

The history of the Title IV-D program is one of increasing influence by Congress on the states to standardize and improve services to families. Nevertheless, the establishment and enforcement of child support obligations still takes place primarily at the state level.

The Uniform Reciprocal Enforcement of Support Act (URESA), which was designed to streamline interstate child support enforcement, today is a cause of many of the problems and delays in case processing. URESA proceedings can be frustrating, time-consuming, and unproductive for a number of reasons:

- lack of uniformity in the basic law, depending on which version of URESA (1950, 1952, 1958, or 1968) a state has adopted;
- lack of uniformity in subsequent modifications and tailoring of the law;
- prosecutors with insufficient personnel, training, or funding to handle URESA cases, causing lengthy and costly delays;
- lack of uniformity in judicial interpretation of the law, even where provisions may be the same;
- a tendency for judges in the obligor's state to favor the obligor;
- inability to receive evidence from the petitioner in time to refute claims of the respondent;
- conflicts in some cases between URESA and IV-D personnel and practice, since URESA predates IV-D legislation;
- lack of priority of URESA cases in court scheduling; and
- burdensome paper flow.[9]

The deceptively simple URESA procedure uses a two-state legal proceeding which allows the obligee to seek and collect support from an obligor in another state. However, in the current world of interstate child support, "one-state" processes appear to provide the most efficient mechanisms for enforcement, by reducing the amount of work, time, paper, and money involved to establish and enforce an order for support.

Unfortunately, most IV-D caseworkers and attorneys still rely on URESA for interstate establishment and enforcement. State IV-D agencies have been slow to establish sorely needed effective case management systems that include guidance, criteria, and procedures for using other legal alternatives. Even states with effective case management systems lack training and staffing resources to implement them.

Federal regulations clearly establish a preference for the use of long-arm statutes for paternity and support order establishment.[10] Once an order is established, income withholding is usually far more expeditious than URESA for interstate enforcement.

"Finger-pointing is common: the initiating state claims that it sent the paperwork and the responding state says that the paperwork was not received. Likewise, there is a lack of follow-through in interstate cases. Because neither state takes primary responsibility for URESA cases, they often remain in bureaucratic limbo until the custodial parent takes matters in her own hands to determine the cause of the delay."

Wendy Epstein,
Executive Director, Illinois Task Force on Child Support.

Myriad Players

Interstate child support actions are characterized by multiple players working individual cases, often with a focus on intermediate activities rather than end results. Interviews are conducted; forms prepared, approved, and mailed; status requests sent; requests for additional information sent back; cases dismissed and reopened; and addresses obtained, verified, and reverified — all with little coherent accountability. These actions involve not only different personnel, they may also involve different branches and levels of government, cause interaction between the public and the private sectors, and occur in different states.

Staffing Resources

Custodial parents are often critical of the IV-D program. Program directors and caseworkers blame large caseloads and resource shortages for the long delays that occur in case processing and for the difficulties custodial parents experience as they attempt to obtain information about their cases. Federal law requiring periodic review and modification of support orders may well increase the IV-D caseload still further.

Currently, there are no federally approved staffing levels for IV-D programs and few resources for technical assistance to determine appropriate state staffing levels or patterns. State programs are subject to state budgetary constraints as they attempt to handle their ever-increasing caseloads and are not doing particularly well in their efforts to garner more resources. As the shortfall grows between the resources needed and the resources available to state IV-D programs, it is inevitable that performance will suffer and that more clients will be dissatisfied.

"More than half of our child support case workers are burdened with understaffing and a monstrous caseload — more than a thousand cases each."

U.S. Representative
Marge Roukema

"One of our chapter members told us 'My two children and I have been receiving welfare ever since the child support payments stopped arriving two years ago. The children's dad moved to Texas. I just couldn't earn enough to support the family alone and my employer didn't provide health insurance for the children. The child support agency attorney won't help collect the support. He says, I have a welfare check, I should be happy. I didn't know I had any rights to demand that he take action on my case. No one, not the welfare caseworker, not the judge, and not the attorney, told me I had a right to collect child support. How am I supposed to find out what can be done to help my children?'"

Nancy Koontz, ACES Coordinator.

"The clients who utilize the child support system are entitled to the most professional and knowledgeable assistance. Therefore, each level of personnel involved with child support enforcement must be trained and informed of all laws and procedures. They must be aware of all child support enforcement requirements and have access to all available tools for helping the children."

Raymond C. Sheppach, Executive Director, National Governors' Association.

Training Myriad Players

There are many "players" in the child support community. They represent a wide range of clerical and professional categories — from clerk typists through caseworker/interviewers, highly specialized technicians, systems professionals, and attorneys. They work in both the private and public sector. They also include persons who affect the outcome of child support enforcement in this country — i.e., judges, administrative or judicial hearing officers, legislators, employers, and the general public. The federal Office of Child Support Enforcement provides limited training assistance. It reimburses states the standard federal financial participation to offset 66% of IV-D training costs, funds one legal training contract, and operates a newly established National Training Center which has a limited budget for travel. States are left with the bulk of the task of developing, conducting, and evaluating training for their child support personnel. Considering that state IV-D directors consistently complain that they lack resources

even to perform case processing, it is no surprise that very few state agencies devote resources to training.

> *"It's mostly people-oriented people that go to work for the Probation Department. People that come to work there, they do care what happens to people, to children who aren't receiving money, but after awhile, you can only find yourself with not enough time to do your work every single day and get yelled at by people who are not receiving money because you didn't have enough time to complete your work. . . You're not going to stay there very long. . . . So I found myself most years turning over 80 percent of my staff. Now, I don't see how anybody can run a business having to train 80 percent of your staff every single year."*
>
> *Johanna Antonacci,*
> *Superior Court of New Jersey.*

Few opportunities or resources exist for intrastate support training and virtually none exist on interstate support remedies — with the exception of occasional regional training, limited training available through a contract between the American Bar Association and OCSE, and annual meetings conducted by the three private professional associations for child support personnel. Even the best legal remedies and administrative policies and procedures are ineffective in the hands of personnel who are not prepared to use them.

Obtaining and Circulating Current Case Information

At each step in the processing of an interstate case, the initiating state knows far less about the out-of-state obligor than would be known if he or she were a resident of, or worked in, the initiating state. Information such as the parent's home address, social security number, employer, employer address, wages, benefits, unearned income, and assets are all important items that are too often lacking or outdated when it is time to select an interstate case processing path, prepare evidence, request a support amount, review for modification opportunities, enforce obligations, and collect arrearages.

The need for access to current information about obligors is particularly important with the introduction of immediate income withholding. To maintain the flow of money to the family, especially in nonAFDC cases, a system must be in place to ensure that timely information about employment is available.

Although some resources do exist for information about the obligor's location and assets, the information is scattered amidst the public and the private sectors. In addition, it is not frequently updated.

"I was under the impression that North Carolina had received the necessary documentation to proceed with this case until October 1990. At this time I contacted the Illinois Central Registry to inquire about the status of the case. . . I was informed that this case had been closed and when I notified them that it should not have been closed, it was determined that someone had deleted the case out of the Illinois data base and that I would have to initiate proceedings all over again. . . . During 1990, I also had applied for an IRS Offset, but because someone at the Illinois Central registry had essentially pushed the wrong button, my application was lost and I will not be receiving the IRS Offset for 1990."

Debra Fagan, Custodial Parent.

Inadequacy and Incompatibility of Automated Systems

While each state is mandated to have a comprehensive automated statewide system for IV-D cases by 1995, few states have them now. Even the states that do have them have not yet developed the capability to share information on an interstate basis. The federal Office of Child Support Enforcement has recently awarded a contract for the development of a national automated interstate network for child support enforcement, its purpose is to accommodate the transfer of case processing data on an interstate basis.

"Alabama is hooked up to several computer location services but local child support caseworkers tell their clients that they themselves must locate the absent parent before any action can be taken on their case. We have a District Attorney . . . that actually tells clients in writing that they must draw a map to the absent parent's home before any action can be taken on their behalf."

Charles Woods, past president, Alabama NAACP, current president NAACP Area Office.

"In light of today's option to ignore certified mail, lifestyles cloaked in safeguards from strangers and crime, as well as process servers, families with children are without hearings due to the limited provisions of the Rules of Service. . . . I see the D.C. Rules of Service as a brick wall with a small opening hindering access to the URESA program."

Nancy L. Wood, Custodial Parent.

Service of Process

Service of process is an activity that often requires a considerable amount of diligence. While service of process is not solely an interstate problem, the magnitude of the problem is greater in interstate cases. Organizations that typically provide service, such as sheriff's offices, may be more responsive to the local constituency and not prioritize service in interstate cases. In addition, the precision and currency of home address information tends to be a greater problem in interstate cases. If the street address is off by a few numbers, or if the obligor has moved across town, some minor "locate" activity may meet with success. However, these cases are typically returned to the initiating state for a correct address, rather than forwarded to the state parent locate service.

"Jurisdiction is clearly a critical issue in interstate enforcement. No one disputes the fact that state laws on jurisdiction are diverse and complicated. Such a situation allows the needs of children to become overtaken by efforts to comply with these complex and varied requirements. This is clearly counterproductive. We need to take decisive steps that can clarify and simplify the current process. We must eliminate the complexities of different orders in different states for the same case and limit the need for interstate activity whenever possible."

Jo Anne B. Barnhart, Assistant Secretary, Administration for Children and Families, DHHS.

Legal Barriers To Interstate Support Establishment and Enforcement

The question of jurisdiction is perhaps the thorniest afflicting the interstate establishment and enforcement of child support obligations. Currently, long-arm jurisdiction over nonresident parties is subject to many and varying limitations at the state law level. Additional problems are posed by the issue of continuing jurisdiction; in interstate child support cases, it is possible for multiple states to claim jurisdiction over the same case and to issue conflicting orders.

Treatment of Arrearages

Designed to prevent retroactive modification of support orders, the "Bradley Amendment" provides that support installments are vested judgments as they fall due, entitled to full faith and credit. The Amendment greatly enhances interstate enforcement by prohibiting responding states from reducing arrears owed to the out-of-state parent. However, some states, either due to law, administrative practice, or judicial practice, still do not recognize or act upon arrearages that have accrued on out-of-state orders. Consequently, when a responding state order is established, it often does not include either an arrearage finding or an order for payment toward the arrearage.

The Bradley Amendment also has had one unexpected negative impact. By virtue of their judgment status, support installments are subject to a state's statute of limitations from the date each installment is due. States have varying statutes of limitations, resulting in uneven ability to enforce arrears in interstate cases.

"To make interstate medical support viable, medical support must be carried as part of any child support (program's) goal. . . In 1986, the HHS Inspector General pointed out that counting only cash support is in part responsible for child support programs not pursuing medical support. This single indicator forces every child support worker to make a difficult choice: sacrifice the child's access to adequate health care by taking the money for cash support or take the health insurance and risk penalties for not making the agency's cash goal."

Theodore R. Earl, Jr., National Child Support Enforcement Association.

Medical Support

In 1989, 75% of custodial mothers in interstate cases reported that health insurance for children was not provided by the noncustodial father, as compared to 63% of intrastate custodial mothers.[11] Census data indicate that "of all the women awarded child support in 1990, 40.1% had health insurance benefits currently included in their award," but that "only 67.6% of fathers who were required to provide health insurance benefits as part of the child support award actually did so."[12] Federal law requires states in IV-D cases to establish and enforce support obligations that include provisions for medical coverage. Even though state agencies are now doing a better job establishing orders that include medical coverage, these orders are not being enforced effectively.

State agencies have observed that they lack leverage to demand that obligors provide medical coverage, due to the prohibitive cost of such coverage, especially if the obligor has to insure the family on a policy that is different from one that may be included as part of his employee benefits package. In many cases, employer-provided health insurance places

restrictions on the coverage of family members, including the following:

- the family member (i.e., the child) must be born from a marital union,
- the child must reside with the employee, and
- all claims made on behalf of minor children must be made by the employee, and reimbursable only to the employee.

An increasingly large number of employers are self-insured, meaning that the employer instead of an insurance carrier bears the risk of loss if an enrolled person requires medical attention that is covered by the employer's health plan. Self-insured employers are not subject to state regulation because of the Employee Retirement Income Security Act (ERISA). There is no federal government regulation to fill the regulatory void. If the ERISA preemption clause is not removed, up to 70% of employer-provided healthcare plans will remain unregulated by states.

Another problem is the limitation on who can be covered by the healthcare plan. Many employee healthcare plans insure only the employee and not the employee's dependents.

Since many existing orders do not include medical support, and some of the most effective enforcement remedies such as income withholding, are currently not used to collect healthcare coverage, this area presents one of the most serious enforcement challenges.

Lack of Federal Leadership

The role of the federal government in child support enforcement lacks clarity. On the one hand, the Office of Child Support Enforcement has, in recent years, promulgated increasingly stringent regulations governing program operations. OCSE also has begun, in very recent years, to exact financial penalties from states that fail to satisfy audit criteria. On the other hand, OCSE has become increasingly delinquent in conducting audits. States complain that audits are being conducted on three-year-old performance and that the audit process is unduly long and cumbersome.

At the same time that OCSE is becoming more demanding of state program performance, it is pulling back from its customary role of providing support to state programs through its central and regional offices. The federal role in training and technical assistance for states has diminished considerably, even as caseloads and performance requirements have grown to unprecedented propor-

"Out-of-state violators ignore support orders because responding states allow them to. Responding states ignore support orders because OCSE allows them to, and OCSE ignores support orders because no agency properly oversees OCSE."

Sandra Feld, former Executive Director, AWARE.

"Penalizing families on AFDC by taking away funding for the program is victimizing the victim. These are the same families who are not receiving child support services from the state. That is why many of them are on welfare to begin with."

Barbara Arnold, Custodial Parent.

tions. As the resources traditionally made available to state programs by the federal Office of Child Support Enforcement have declined, so too has the federal monetary support for the IV-D program.

Intensifying this problem is the widespread failure of states to fill in the gap created by the federal government's withdrawal of state-level training and technical assistance. Even given the relatively generous federal financial participation in the state IV-D program, many state IV-D directors claim that their programs are underfunded and understaffed to perform at minimally satisfactory levels. These failures belie the spirit and the letter of the Family Support Act of 1988 which reaffirmed that the IV-D child support program must provide its services to all families requesting them, regardless of their AFDC status.

Ineffective Incentives

Federal financial participation in the child support program takes the form of a straight match for program expenditures at the rate of $.66 to the dollar, enhanced funding ($.90 to the dollar) for selected activities, and an incentive program that is capped by the state's total AFDC collections level. The federal funding formula for child support incentives leaves unregulated, the state's share of profits earned from federal incentives, other than to insist on a pass-through to participating local jurisdictions. Consequently, in states where incentive profits are not reinvested in the child support program, they are neither visible nor meaningful in influencing the actions of the workers processing intrastate or interstate cases — especially in offices where resources are a significant constraint on performance.

Congress must be commended for its initiative in ensuring children receive the financial support to which they are entitled. However, despite monumental efforts of Congress on three occasions, oversight by the federal Office of Child Support Enforcement, efforts of well intentioned child support caseworkers, the advocacy by organizations at national and local levels and the interstate establishment and enforcement of child support obligations remains fraught with difficulties and limited in success. Recommendations for streamlining the process and increasing its effectiveness are introduced in the following section. They reflect the ideas of people from around the country. From front line workers to academicians — all shared the Commission's concern about the interstate child.

"While requiring uniformity in state laws and jurisdictional rules is important, the critical issues that this Commission and Congress must address are the commitment to the IV-D program of additional staff who are interstate specialists, the provision of regular training programs that bring these staff together on a regional and national basis, and an incentive structure for states which realistically reflects the extra work associated with even the most routine interstate cases. Only then will we see the increased cooperation among states that is necessary to make interstate child support enforcement work."

Michael Henry, President, National Child Support Enforcement Association.

Endnotes

[1] Philip K. Robins, "Requiring Immediate Wage Withholding for All Child Support Enforcement Orders: Estimated NonIV-D Caseloads and Collections Based on Current Population Survey Data," unpublished paper prepared July1991 for the Office of Child Support Enforcement.

[2] U.S. Department of Health and Human Services, *Child Support Enforcement: Fifteenth Annual Report to Congress for the Period Ending September 30, 1990* (Washington, DC: Government Printing Office 1992).

[3] 45 C.F.R. section 232.42.

[4] The following discussion of interstate remedies is based upon *Interstate Child Support Remedies*, edited by Margaret C. Haynes and G. Diane Dodson (American Bar Association 1989).

[5] Haynes, "The Uniform Reciprocal Enforcement of Support Act," in ed. M. Haynes with G. D. Dodson, ed., *Interstate Child Support Remedies*, (American Bar Association 1989), p.113.

[6] U.S. General Accounting Office, *Interstate Child Support: Wage Withholding Not Fulfilling Expectations*, HRD-92-65BR (Washington, DC: Government Printing Office 1992), p. 3.

[7] *Id.*

[8] U.S. Dept. of Health and Human Services, *Child Support Enforcement in the Military* (Washington, DC: Government Printing Office 1991), p.3.

[9] *See* Elrod, *Enforcing Child Support Using the Revised Uniform Reciprocal Enforcement of Support Act*, Juvenile and Family Court Journal, Fall 1985, pp.57-70.

[10] 45 C.F.R. section 303.7.

[11] U.S. General Accounting Office, *Interstate Child Support: Mothers Report Receiving Less Support from Out-of-State Fathers*, HRD-92-39FS (Washington, DC: Government Printing Office 1992), p. 11.

[12] U.S. Bureau of the Census, *Child Support and Alimony, 1989*, Current Population Reports, Series P-60, No. 173 (Washington, DC: Government Printing Office 1991), pp.8-10.

15 RECOMMENDATION

FULL FAITH AND CREDIT

a. Congress should amend Title 28 of the United States Code by adding section 1738B to provide for the interstate recognition and enforcement of child support orders, including ongoing orders, that are based on valid exercises of jurisdiction up to constitutionally permissible limits.

b. All terms of any child support order [whether for past-due, currently owed or prospectively owed support] issued by a court or through administrative process shall be given full faith and credit by another state.

c. The appropriate authorities shall enforce another state's child support order according to its terms, and may not modify the order unless the other state loses its continuing, exclusive jurisdiction over all of the parties regarding child support.

[Federal plenary and funding-loss-risk statute]

Choice of Law

After deciding which state controls the case, the next issue to resolve is which state's laws should be applied to the case.

There is no dispute that the forum state's procedural laws apply.[10] Regarding substantive law, however, some persons advocate that the law applied should not necessarily be that of the forum state.

The Commission heard testimony that the law that is most advantageous to the child should govern. This is the position of the Inter-American Treaty, a treaty signed by several Latin American countries regarding domestic issues, including child support. Some other witnesses testified that the law where the obligor resides should always govern. They argued that support should be determined under the guidelines of the obligor's state, since they reflect the economic conditions facing the obligor.

Still others asserted that the laws of the child's state should always govern. They argued that the laws of the child's state reflect the economic conditions facing the child — the person who must survive on the support.

The difference in standards of living among America's regions is often invoked by advocates of either position. One may ask which state's law should apply when an obligor lives in a state that has higher-than-average earnings and a high cost-of-living, and the child lives in a poor state with a low cost-of-living, or vice versa.

Besides support guidelines, state law also varies regarding the age of termination of a support duty. In some states, support terminates at 21, while in most states, the support duty ends at 18.

In any event, Congress, under the Supremacy and Full Faith and Credit Clauses of the United States Constitution, has the power to make the choice-of-law decision for interstate cases.[11]

The Commission recommends that the procedural and substantive law of the forum state should govern in establishment and modification proceedings. The ease and efficiency of application of local law by decision-makers was an

Based on the evidence gathered, two crucial issues are decided at the establishment stage: the amount of the support duty and the length of the support duty. Once the order is entered, enforcement is pursued.

The Commission, through its recommendations, is striving to create a uniform, efficient and fair interstate child support system that will make this precarious process work more smoothly. The Commission recognizes that the establishment stage is as crucial as any in a support case. For that reason, the Commission has several recommendations to promote establishment uniformity and efficiency, with due regard for the rights of the parties.

Jurisdiction

The genesis of a child support case is jurisdiction. A tribunal (court or agency) can establish parentage or a child support obligation only if it has authority over the person, based on that person's contacts with the tribunal's state. The requirement of personal jurisdiction is based on the principle that a state's governmental power is limited over nonresidents.

Over two centuries, our country has developed two judicial avenues for ruling on activity by nonresidents that affects persons locally. The federal court system is one avenue, where citizens from different states may sue one another. There are many current limitations on the use of federal courts, especially in family law cases.

The state judicial system is the other avenue. Sometimes a case within the state judicial system requires the cooperation of two or more states. For example, under URESA, the custodial parent in one state transmits legal documents to a second state where the noncustodial parent resides or owns property. Officials in the second state take action to establish or enforce the support obligation against the noncustodial parent. In a two-state child support proceeding, the hearing is usually held in the state of the noncustodial parent.

Other times, the party seeking legal relief may be able to keep the proceedings totally within the party's state. One method is through the use of a long-arm statute. Long-arm statutes allow a person affected by acts (or inaction) of a nonresident to reach out to the nonresident defendant and cause him or her to return to the first state for the resolution of the dispute.

All states have long-arm statutes. A typical long-arm provision allows the state to exercise jurisdiction over a nonresident who has caused injury or harm in state — a car accident, for example. Not all states, however, have long-arm provisions that allow for jurisdiction over a nonresident defendant in a parentage or a support case.

Long-arm statutes follow a nonresident's trail of acts or omissions that lead to consequences in the forum state. In parentage cases, the trail begins with events that may have occurred in the forum state — the act of conception or a parenthood acknowledgment. Most states, including those that have adopted the Uniform Parentage Act, have long-arm statutes for parentage determination.

In child support cases, the trail begins with strong family ties among the nonresident, the child, and the forum state. About half of the states have specific long-arm statutes for child support establishment against a noncustodial parent, mostly concentrating on the parent's marital ties to the forum state.

The potential reach of a state's long-arm statute is limited by the Due Process Clause of the Fourteenth Amendment. The U.S. Supreme Court interpreted the constitutional reach of a state's child support long-arm provision in the case of *Kulko v. Superior Court.*[3]

Kulko involved a separated New York couple with two children. Mrs. Kulko moved by herself to California. Mr. Kulko remained in New York with the children and was given custody of them in a separation agreement executed in New York that was later made part of a Haitian divorce. Eventually, with Mr. Kulko's blessing, one of the children moved to California to live with Mrs. Kulko. During visitation, the second child decided to live in California with Mrs. Kulko, but without Mr. Kulko's blessing. Mrs. Kulko sought child support from Mr. Kulko for both children.

Mrs. Kulko asserted California's long-arm jurisdiction over Mr. Kulko to make him subject to California's courts regarding child support. The relevant provision in the California law stated that California's long-arm statute reached as far as the constitutions of the United States or California allowed.

Mr. Kulko objected to being brought in front of the California courts. On appeal, the California Supreme Court said that the support matters regarding the first child who moved to California with Mr. Kulko's blessing were subject to California's jurisdiction, but not the support matters concerning the second child.

The U.S. Supreme Court, in a 6-3 decision, reversed the earlier decision that California had jurisdiction over the first child.

The U.S. Supreme Court stated that Mr. Kulko's Fourteenth Amendment due process rights were abridged because he had not "purposefully availed" himself of the benefits of California. His contacts with the state were brief and unrelated to the child support issue and were such that Mr. Kulko could not have reasonably foreseen being subject to California jurisdiction regarding child support. Also, his acquiescence in the first child's move to California was not the type of action that by itself gave California the right to assert jurisdiction. The potential economic effect on California because of the presence of unsupported children there was outweighed by the due process rights of Mr. Kulko. Besides, the Supreme Court said, URESA exists as an alternative avenue for interstate support prosecution.

As a result of the *Kulko* decision, states have limited their assertion of child support jurisdiction over nonresident defendants to cases where the defendant has had significant contacts with the forum state. One contact often alleged is that the forum state is the last marital domicile of the parents of the child for whom support is sought.

Today, legal advocates of custodial parents seeking support establishment across state lines primarily use either the two-state URESA process or long-arm jurisdiction. However, there is no coherent national policy on which approach is preferable in which cases. URESA and long-arm laws are not uniform, which inherently creates uncertainty when selecting what avenue is best for the child. The Commission reviewed several jurisdictional models to determine which approach best provided efficiency, fairness, and flexibility.

Jurisdictional Models

A year of testimony at public hearings and Commission meetings produced the resounding refrain that the current interstate jurisdictional scheme is not working well.

All witnesses who testified on this subject agreed that the two-state process of URESA resulted in burdensome paper flow and lack of cooperation between the two states. Some witnesses testified about the excessive reliance on URESA when a one-state process using a state's long arm statute may be more successful in a given situation.

Other witnesses expressed concern about the adequacy of evidence upon which to base a decision and the ability to transmit the evidence across state lines. Finally, parents and caseworkers alike spoke of the frustrating jumble of different state laws and procedures governing the processing of interstate child support cases.

The Commission considered four basic systems for child support case processing. These models emphasized:

1. abolishing the state-based system and authorizing the federal government to establish and enforce child support (referred to as the federal model).
2. retaining the state-based system to establish parentage or a child support obligation, but greatly increasing the federal government's role in the collection, distribution and enforcement of child support (referred to as the quasi-federal model).
3. retaining the state-based system, but attempting to go beyond *Kulko* through congressional action. This would allow a state where the child lives to assert jurisdiction over a nonresident noncustodial parent, even if the parent had no other contacts with the forum state (referred to as the child-state model).
4. retaining the present state-based approach but requiring every state to potentially exercise jurisdiction in child support cases up to the level of contacts approved in *Kulko* (referred to as the noncustodial parent model since the hearing will often be held in the state where the noncustodial parent resides).

The Federal and Quasi-federal Models

Several advocate groups and one Commissioner emphasized some of the potential benefits of a federal or quasi-federal system for the establishment and enforcement of support obligations. Under a federal model, a federal agency would provide services to locate parents, establish parentage, establish and enforce child support obligations, and collect and disburse support money. Hearings would be in front of magistrates or administrative law judges. Proponents believe that a federal model would have the following benefits:

1) uniformity of law and procedure;
2) resource efficiency and savings resulting from one governmental agency handling cases rather than 54 agencies (the 50 states, the District of Columbia, Virgin Islands, Puerto Rico and Guam);
3) the broadest jurisdictional reach;
4) potentially instant access to federal data bases for locate and enforcement;
5) one collection and disbursement point; and
6) enhanced collection if child support were treated like taxes owed to the government, and enforced accordingly.

If the goal for interstate child support case handling is uniformity and "seamless" case processing, one may argue that the ultimate unitary approach is a federal agency to handle all cases.

However, most Commissioners were persuaded that the relatively short history of the IV-D scheme did not allow for a fair review of its success. Since 1975, Congress and the states have joined in a special partnership to make the child support system work. The Commission decided that it is premature to abandon that relationship for the untested experiment of a federal child support system. Additional concerns expressed were:

1) the loss of innovation at the state level, as state agencies are replaced by a huge monolithic federal bureaucracy;
2) the cost of setting up a federal system that would mostly duplicate the current system;
3) partial federalization of family law when other issues such as property distribution, spousal support and custody would remain in state court;
4) lack of priority given to child support by a federal judicial system that is already overburdened and attempting to limit jurisdiction, not expand it;

5) lack of a federal agency track record that would imbue confidence that the agency could process cases quickly and accurately;

6) greater depersonalization of services provided to the custodial parent than under a state/local approach;

7) decreased accessibility to custodial parents since federal courts are not located in as wide a locale as state courts;

8) greater difficulty in tracking down the correct obligee for disbursement of payments with limited identifying information;

9) potentially greater emphasis placed on AFDC cases and recoupment of public expenditures than on parentage establishment and nonAFDC cases.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Under a quasi-federal model, state tribunals would continue to establish parentage and support obligations. However, once the obligation was established, the federal government would assume control for enforcement. The federal government would also be responsible for collection and distribution of payments, perhaps through the Social Security Administration or the Internal Revenue Service.

All Commission members were interested in increased federal involvement in locate and in federal legislation to improve enforcement. Yet with the exception of one member, Commissioners were not persuaded that the federal government should totally replace state child support agencies in performing these functions.

Regarding the quasi-federal model in particular, Commission members expressed concern about:

1) inherent coordination difficulties between the state courts and agencies that set and modify orders and the new federal child support enforcement agency;

2) the loss of local knowledge of the appropriate enforcement remedy tailored to the local economy;

3) the lack of priority historically given support enforcement by federal agencies such as the Internal Revenue Service;

4) the shifting of resources to favor recoupment of AFDC at the expense of nonAFDC case enforcement;

5) greater difficulty in tracking down the correct obligee for disbursement of payments if identifying information is inadequate. (Massachusetts reports that a significant percentage of its payments lack sufficient identifying information, requiring hand-sorting and individual investigation; the problem would undoubtedly be magnified at the national level.)

After debating the issue of federalization, the Commission decided overwhelmingly that it wanted to retain a state-based child support system. While it is unquestioned that state performance leaves much room for improvement, almost every Commissioner concluded that there is little proof that the federal government could do a better job than that done by the states.

The Child State Model

After deciding to retain a state-based system, the Commission addressed the length of the states' jurisdictional reach and the consequences of emphasizing a case processed primarily in the custodial parent's state or the noncustodial parent's state.

The first proposal was to allow the state where the child resides to assert jurisdiction in all

support cases, whether or not the noncustodial parent had contacts with that state. This is known as the child-state model. As discussed earlier, the Supreme Court in *Kulko* expressly held that the mere presence of children in a state does not give that state jurisdiction over the children's noncustodial parent. Such a ruling would seem to foreclose any discussion of a child state model.

However, since *Kulko*, legal scholars have speculated whether Congress can expand the reach of a state's long-arm statute.[4]

The constitutionality of a congressional attempt to mitigate *Kulko*'s limitations should be analyzed based on the scope of the Fifth Amendment rather than based on the scope of the Fourteenth Amendment, according to some scholars. The Fifth Amendment's Due Process Clause applies to federal government due process claims. The federal government has nationwide jurisdiction and may constitutionally make federal jurisdiction and venue decisions based on a national scheme without regard to state borders.[5]

Some scholars believe Congress may extend the reach of a state's long-arm statute based on a Fifth Amendment analysis, through delegation of its own national reach to state courts and agencies. If so, then a state potentially would have the reach of the federal government.

Congress' power to regulate in this area would have to be based on its constitutionally delegated powers. Some of the Constitution's provisions that may empower Congress to provide for a broad state jurisdictional reach are the General Welfare Clause, the Commerce Clause, and the Full Faith and Credit Clause.[6] Congress has the power to enact a comprehensive plan to address national problems, particularly problems that can best be solved through a nationwide plan that calls for uniform, coordinated activities among the states.

If the *Kulko* limitation on state reach can be congressionally overcome, then one can bring a child support action where the child resides regardless of the noncustodial parent's contacts with the forum state.

If child-state jurisdiction is possible, then the next issue is the desirability of focusing jurisdictional choice on the child's state.

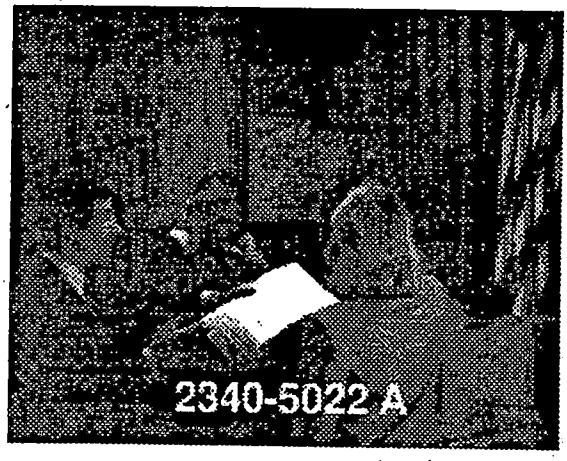
Some of the advantages of adding the option of hearing a case in the child's state of residence are obvious. In a IV-D case, the caseworker would be in close proximity to the applicant for services, resulting in a much more easily maintained line of communication than if the line stretched from the applicant or caseworker in the child's state to a caseworker in another state. The state of the child and custodial parent could control all or most aspects of the case from start to finish. Caseworker and court continuity should translate into faster and more accurate case processing.

> *"ACES' recommendation of giving jurisdiction to the state where the child lives is made because that state is where costs of caring for the child, like day care, clothing and food, directly impact the child."*
>
> *Lynda Benson, Chair, Board of Trustees, Association for Children for Enforcement of Support, Inc. (ACES).*

Several witnesses pointed out that there is an intrinsic feeling of fairness when the state where the child is being raised controls the terms and amount of the support order (assuming the choice of which law applies follows the choice of forum). Caseworkers and attorneys would need to be familiar with the laws of only their state.

Some Commission members also believe it is inherently more equitable for the person who owes the duty of support, rather than the person who needs the support, to be the one who is inconvenienced. They pointed out that the obligor usually has more resources available to pay for travel and legal representation in a second state than does the custodial parent and child.

Another line of argument in favor of the child-state model stresses that if parentage is not at issue, there is rarely an issue about one's liability for supporting one's children — arguments center instead on the terms of the liability. If guidelines provide a presumptive amount of a support to be paid, then the focus shifts to reasons for deviation from the guidelines. Those reasons often are child-centered — healthcare, education, day care, special needs of the child, etc. Hence, they argue, the child's state is the best forum for discovering the specifics supporting or not supporting deviation based on the child's needs.



The Noncustodial Parent State Model

The second proposal was to retain the current interstate system that relies on the two-state process, currently exemplified by URESA. This model is referred to as the noncustodial parent model since, absent long-arm jurisdiction, cases are heard in the state where the noncustodial parent resides.

There are four strong pro-child arguments that favor using the state where the noncustodial parent resides as the forum of support adjudication.

Proponents of the noncustodial parent model argue that it is in the child's interest to ensure that as much information is revealed as possible regarding the noncustodial parent's income. That can best and most accurately be done where that parent lives or works.

Second, fewer default orders will likely result if the hearing is in the noncustodial parent's state.

Third, once the order is entered, enforcement usually takes place where the noncustodial parent resides or works. Having the power to immediately summon the noncustodial parent to court for a creditor's examination, knowing about local occupational habits (e.g., what the average shrimp boat operator in Louisiana earns), and reacting immediately upon discovery of a change in earning status or a transfer of a significant asset are advantages to the noncustodial parent's state's choice as a forum. Also, if contempt is used as an enforcement tool, it is universally adjudicated where the obligor resides.

Fourth, some Commission members feel that the fairness issue favors the noncustodial parent model, especially in cases where the custodial parent is the one who leaves the state where the parents had resided together. In general, it is argued that it is fair that the person who seeks support go to the state where the party who faces the liability resides.

The uncertainty of the constitutionality of a "pure" child-state model, where the noncustodial parent has not had significant contacts with the state asserting jurisdiction, has also been cited as a reason for not endorsing its mandatory use. Some persons feel it is too risky to allow the setting of thousands of orders that could be void from the start if later shown to be based on unconstitutional exercises of jurisdiction.

These arguments led to the Commission's very narrow rejection of the immediate implementa-

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

ADMINISTRATION FOR CHILDREN AND FAMILIES

Office of Child Support Enforcement

Child Support Fact Sheet (FY-91)

NATIONWIDE

BUDGET

COLLECTIONS

Total IV-D Collections	$ 6,893,914,582
AFDC Collections	$ 1,983,971,905
State Share	$ 700,015,110
Federal Share	$ 625,130,125
Payment to Families	$ 381,262,316
Incentive Payments	$ 277,564,354
Non-AFDC Collections	$ 4,909,942,677
Percentage of AFDC Payments Recovered	10.7%

EXPENDITURES

Total	$ 1,804,104,429
State Share	$ 592,520,424
Federal Share	$ 1,211,584,005

PROGRAM SAVINGS

Total	$ (201,394,840)
State Share	$ 385,059,040
Federal Share	$ (586,453,880)

COST EFFECTIVENESS RATIOS

Total/Total	3.82
AFDC/Total	1.10
NAFDC/Total	2.72

STAFF

Full Time Employees (FTE)	38,968

CHILD SUPPORT PERFORMANCE

CASELOAD

Total IV-D Caseload	13,422,744
AFDC/FC Caseload	6,166,443
Non-AFDC Caseload	5,388,503
AFDC Arrears Only	1,867,798

CASES WITH COLLECTIONS

Total IV-D Caseload	2,588,291
AFDC/FC Caseload	755,328
Non-AFDC Caseload	1,554,740
AFDC Arrears Only	278,223

PERCENT OF CASES WITH COLLECTIONS

Total IV-D Caseload	19.3%
AFDC/FC Caseload	12.2%
Non-AFDC Caseload	28.9%
AFDC Arrears Only	14.9%

SERVICES PROVIDED

Absent Parents Located	2,577,117
Paternities Established	479,066
Support Orders Established	823,265
Support Orders Modified	4,355,198

FINANCIAL OVERVIEW
FOR FIVE CONSECUTIVE FISCAL YEARS
($000)

	1987	1988	1989	1990	1991
TOTAL IV-D COLLECTIONS	$3,917,399	$4,613,286	$5,249,650	$6,020,269	$6,893,915
AFDC/FC COLLECTIONS	1,348,520	1,485,597	1,593,067	1,750,125	1,983,972
STATE SHARE	472,975	524,858	563,265	620,001	700,015
FEDERAL SHARE	412,996	449,027	457,572	532,737	625,130
PAYMENTS TO AFDC FAMILIES	278,030	289,305	306,581	333,727	381,262
INCENTIVE PAYMENTS	184,519	222,406	265,649	263,660	277,564
NON-AFDC COLLECTIONS	2,568,880	3,127,690	3,656,583	4,270,144	4,909,943
TOTAL IV-D ADMINISTRATIVE EXPENDITURES	$1,065,942	$1,170,714	$1,363,209	$1,606,065	$1,804,104
STATE SHARE	315,668	366,263	425,581	545,192	592,520
FEDERAL SHARE	750,274	804,451	937,628	1,060,872	1,211,584
TOTAL PROGRAM SAVINGS	$4,548	$25,577	- $76,723	- $189,666	- $201,395
STATE SHARE	341,826	381,001	403,333	338,469	385,059
FEDERAL SHARE	-337,278	-355,424	-480,056	-528,135	-586,454
TOTAL FEES AND COSTS RECOVERED FOR NON-AFDC CASES	$6,891	$7,318	$6,520	$22,235	$33,868
COST-EFFECTIVENESS RATIOS					
TOTAL/TOTAL	3.68	3.94	3.85	3.75	3.82
AFDC/TOTAL	1.27	1.27	1.17	1.09	1.10
NON-AFDC/TOTAL	2.41	2.67	2.68	2.66	2.72

SOURCE: OCSE FINANCIAL AND STATISTICAL DATA AS REPORTED BY THE STATES
NOTE: THE COST-EFFECTIVENESS RATIO IS TOTAL COLLECTIONS PER DOLLAR OF TOTAL ADMINISTRATIVE EXPENDITURES

Table 1

STATISTICAL OVERVIEW FOR FIVE CONSECUTIVE FISCAL YEARS

DATE: 07/01/92

	1987	1988	1989	1990	1991
TOTAL IV-D CASELOAD	10,635,382	11,077,693	11,876,435	12,796,388	13,422,744
AFDC CASELOAD	5,775,947	5,702,756	5,708,730	5,871,637	6,166,443
NON-AFDC CASELOAD	2,980,519	3,576,978	4,266,395	4,842,894	5,388,503
AFDC ARREARS ONLY CASELOAD	1,878,916	1,797,869	1,901,310	2,081,857	1,867,798
AFDC AND AFDC ARREARS ONLY CASELOAD	7,654,863	7,508,625	7,610,040	7,953,494	8,034,241
TOTAL CASES FOR WHICH A COLLECTION WAS MADE	1,739,568	1,885,224	2,107,246	2,287,820	2,588,291
AFDC CASES FOR WHICH A COLLECTION WAS MADE	600,986	621,083	657,585	700,803	755,328
NON-AFDC CASES FOR WHICH A COLLECTION WAS MADE	934,177	1,083,125	1,247,228	1,362,821	1,554,740
AFDC ARREARS ONLY CASES FOR WHICH A COLLECTION WAS MADE	196,405	181,016	202,433	224,196	278,223
PERCENTAGE OF TOTAL CASES WITH COLLECTIONS	16.4	17	17.7	17.9	19.3
PERCENTAGE OF AFDC CASES WITH COLLECTIONS	10.5	10.9	11.5	11.9	12.2
PERCENTAGE OF NON-AFDC CASES WITH COLLECTIONS	31.3	30.3	29.2	28.1	28.9
PERCENTAGE OF ARREARS ONLY CASES WITH COLLECTIONS	10.5	10.1	10.6	10.8	14.9
TOTAL ABSENT PARENTS LOCATED	1,144,956	1,337,924	1,628,120	2,061,709	2,577,117
TOTAL PATERNITIES ESTABLISHED	269,161	307,135	339,243	393,304	479,066
TOTAL SUPPORT OBLIGATIONS ESTABLISHED	812,132	870,377	937,698	1,022,243	NA
TOTAL SUPPORT ORDERS ESTABLISHED	NA	NA	NA	NA	823,265
TOTAL SUPPORT ORDERS ENFORCED OR MODIFIED	NA	NA	NA	NA	4,355,193
PERCENTAGE OF AFDC PAYMENTS RECOVERED	9.1	9.8	10.0	10.3	10.7

SOURCE: OCSE FINANCIAL AND STATISTICAL DATA AS REPORTED BY THE STATES

NOTE: DUE TO NEW REPORTING REQUIREMENTS EFFECTIVE IN FY 1991, SUPPORT OBLIGATIONS ESTABLISHED DATA ARE NO LONGER AVAILABLE IN THE SAME FORMAT AS FOR PRIOR YEARS. THE PREVIOUS DEFINITION OF SUPPORT OBLIGATIONS ESTABLISHED INCLUDED MODIFICATIONS TO ORDERS, WHILE THE NEW DEFINITION ONLY INCLUDES NEW, NOT MODIFIED, ORDERS. ENFORCED IS DEFINED AS ANY ACTION TAKEN TO MAKE A COLLECTION ON AN EXISTING ORDER.

Table 2

TABLE 3

PROGRAM TRENDS FY 1991

	FY-1990	FY-1991	PERCENT CHANGE
Total Collections	$6,020,209	$6,893,915	14.5%
AFDC	$1,750,125	$1,983,972	13.4%
NAFDC	$4,270,144	$4,909,943	15.0%
Total Expenditures	$1,606,065	$1,804,104	12.3%
Total Caseload	12,796,388	13,422,744	4.9%
Total Cases with Collections	2,287,820	2,588,291	13.1%
Total Absent Parents Located	2,061,709	2,577,117	25.0%
Total Paternities Established	393,304	479,066	21.8%
Total Support Orders Established	-----	823,265	-----