

# FOIA MARKER

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Child Support

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## Child Support Executive Action Additional Questions and Answers

### Question:

When will these changes take place? When will women need to cooperate with paternity establishment prior to receiving benefits?

### Answer:

Under the Congress' Administrative Procedures Act, the Department is required to follow a specific timetable when it proposes regulations such as these. First, we must publish a notice of proposed rulemaking, which must be open for public comment for 60 days. We then are required to publish a final rule, which can take effect 30 days later. So the paternity establishment piece of this will take effect in a few months. Since the new hire program doesn't require any new regulations, it will start soon.

### Question:

What happens when a match is made under the new hire program? What's the mechanism for withholding the delinquent parent's wages?

### Answer:

Let's say that New York has an outstanding child support case, and Texas has reported that the delinquent parent has taken a job in Texas. HHS will make the match between the states and will notify New York that the delinquent parent is working in Texas. New York will then issue a wage withholding order, which Texas will have to honor. This will all be done between the states -- the Federal government's role is to link states through the new hire program. However, in this case, for example, both New York and the Federal government will benefit from any welfare savings resulting from the child support that is collected.

### Question:

Why haven't you already done this?

### Answer:

We didn't do this earlier because we wanted a bipartisan welfare reform bill that included the President's comprehensive child support enforcement proposals: streamlined paternity establishment and stricter cooperation requirements; a national new hire reporting system; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, such as drivers' license revocation. We still want a bipartisan welfare reform bill that contains these tough measures, which would increase child support collections by an additional \$24 billion and reduce federal welfare costs by \$4 billion over the next 10 years.

**Question:**

If child support is so important, why don't you support passing a bill separately?

**Answer:**

We still want a national, bipartisan welfare reform bill with the tough child support enforcement measures the President has called for from the start, and we hope Congress will get the job done. However, as the President said last week, "if for some reason we cannot reach agreement on welfare reform this year -- and I still hope we can -- I believe we ought to pass these provisions that 100 percent of us agree on so that we can do more to hold people accountable for the children they bring in the world and help these kids get the money they need and help their parents get the money they need to do a good job in raising their children."

**Question:**

How do you know that all 25 states will participate in the new hire program?

**Answer:**

Already, we have confirmed that Washington and Florida will sign up, although the program was just announced. This program has such obvious advantages to states that we believe all states will want to participate.

## EXECUTIVE ACTION ON CHILD SUPPORT

Today, President Clinton announced three actions to strengthen the child support enforcement system and promote parental responsibility. These actions include: implementing a pilot program that will help track non-paying parents across state lines; challenging all states to adopt statewide new hire reporting programs; and issuing new regulations requiring women who apply for welfare to comply with paternity establishment requirements before receiving benefits. The President also announced the approval of the 40th welfare reform waiver granted by his Administration.

**A New Pilot Program for Interstate New Hire Reporting** Approximately 30 percent of the current child support caseload involves interstate cases, and the President announced today a new pilot program that will help track parents across state lines. Under the new program, the twenty-five states with existing new hire reporting systems will be able to send new hire information to the Department of Health and Human Services (HHS). The data will then be matched by computer against lists of non-paying parents sent to the department from all the states. When a match is made, HHS will contact the delinquent parent's current state of residence so that the state can issue a wage garnishment order or institute paternity proceedings.

**State New Hire Reporting Programs** Although there is currently no interstate program, twenty-five states have already increased their own collections by requiring or encouraging employers to report new hires. In Washington, for example, has reduced the time required to receive employment information from 178 days to 43 days. That means better collections, faster wage garnishment, and more child support for children. Under Washington's program, employers may report new hire information in a variety of ways -- computer diskettes, tapes, or by faxing reports to a special 800 toll-free line. In addition, Washington's program is extremely cost effective. For every dollar spent on the program, it returns approximately \$20 in child support collections. Florida's new hire program, made over 8,000 matches for child support cases in 1995 -- the annual amount of support owed under these cases is \$15.2 million. Today, the President is challenging the remaining 25 states to adopt new hire reporting programs.

**New Regulations Requiring Mothers to Cooperate With Paternity Establishment Efforts** Today, President Clinton directed the Department of Health and Human Services to issue new regulations that require all mothers who apply for welfare to cooperate with paternity establishment prior to receiving benefits. This executive action will build upon the in-hospital paternity establishment program proposed by the Clinton Administration and adopted by Congress. Applicants will be required to provide the name of the father and other identifying information before they begin to receive benefits (subject to appropriate "good cause" exceptions, such as danger of domestic violence etc.). Welfare applicants must also be referred to the state child support agency within 2 days of application, so that the agency can initiate a legal paternity action if necessary.

**Ending Welfare As We Know It** Today, President Clinton announced approval of a statewide welfare waiver for New Hampshire. The Clinton Administration has now approved 40 welfare waivers in 63 states -- more than all previous administrations combined. In addition, in 1995, the federal-state partnership collected a record \$11 billion from non-custodial parents, an increase of \$3 billion or nearly 40 percent since 1992. Paternity establishments also increased by over 40 percent from 1992 to 1995. The measures announced today will increase child support collections and continue to reform welfare state by state, but they are not a substitute for national welfare reform legislation. In 1994, the President proposed five measures to increase child support collections by an additional \$24 billion and reduce federal welfare costs by \$4 billion over the next 10 years: streamlined paternity establishment; a national new hire reporting system; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, such as drivers' license revocation. At the President's urging, Congress and the NGA have included all of the Administration's provisions for child support enforcement in their welfare reform proposals. The President calls again on Congress to send him a clean bipartisan welfare bill that requires work, promotes parental responsibility, and protects children.

## PATERNITY ESTABLISHMENT

Today, President Clinton took executive action to strengthen the child support enforcement system and promote parental responsibility by toughening paternity establishment requirements for women who apply for welfare. President Clinton is directing the Department of Health and Human Services to issue new regulations which require all mothers who apply for welfare to cooperate with paternity establishment prior to receiving benefits. He is also directing the department to clarify and strengthen the definition of cooperation. These measures are designed to build on prior actions by the department that have already increased paternity establishment by over 40 percent and child support collections by nearly 40 percent since 1992.

### Paternity Establishment Under Current Law

Under current law, mothers are required to establish their children's paternity as a condition of welfare receipt. However, efforts to determine cooperation and establish paternity are not usually made until months after a mother has begun receiving benefits. In addition, cooperation standards are vague and poorly enforced. As a result, paternity is often not established, child support is not paid, and taxpayers pick up the tab. In fact, paternity is currently established in only 40 percent of all welfare cases.

### Requiring Mothers to Cooperate With Paternity Establishment Efforts

As President Clinton has emphasized, our system ought to say to mothers, "help us identify and locate the father, or you cannot get welfare, because parents have the primary responsibility for supporting their children." That's why the President has ordered the Department of Health and Human Services to issue new regulations which require all mothers to cooperate with paternity establishment prior to the receipt of welfare. Mothers will be required to provide the name of the father and other identifying information at the time of application before they begin to receive benefits (subject to appropriate exceptions for mothers with "good cause" for not cooperating, such as being in danger of domestic violence). Welfare applicants must also be referred to the state child support agency within 2 days of application, so that the agency can initiate a legal paternity action. In addition, we're also making it easier for states to move compliance assessment from their welfare agencies to their child support agencies.

### Clarifying the Definition of Cooperation

Under the current regulations, "cooperation" with paternity establishment generally means that a welfare recipient must show up for interviews and provide "relevant information in their possession" about their child's father. Evidence suggests that some mothers know more information about the father than they are currently providing to the welfare agency. Our new, stricter definition of "cooperation" requires that the mother provide both the name of the father and some other identifying information such as the address, place of employment, or social security number. In addition, current regulations allow applicants and recipients to receive AFDC payments before the actual determination of cooperation is made. Under the proposed regulation, the determination of cooperation will be made during the application process. If the mother is not cooperating she will not be eligible and will not begin to receive benefits. In addition, AFDC applicants will be referred to the child support agency within two days of filing an application to speed up paternity establishment efforts.

### Strengthening Our Commitment to Paternity Establishment

The Clinton Administration has made paternity establishment a top priority. Already, the Clinton Administration has proposed, and Congress has adopted, a requirement for states to establish hospital-based paternity programs as a proactive way to establish paternities early in a child's life. These programs are just now being implemented, but early data from 31 states indicates that more than 200,000 paternities were established through the in-hospital paternity acknowledgement program in 1995. The total number of paternities established has increased by over 40 percent since 1992. Still, more needs to be done. That is why the President has ordered the Secretary of the Department of Health and Human Services to issue these new regulations to increase paternity establishment, and urged Congress to pass a comprehensive welfare reform bill that demands parental responsibility and protects children.

## STATES WITH NEW PATERNITY ESTABLISHMENT INITIATIVES

### WAIVERS

Thirteen states have been granted waivers by the Clinton Administration to enable them to create new paternity establishment initiatives. The following are examples of these initiatives:

#### Connecticut

Connecticut's "Reach for Jobs First" program provides escalating tougher sanctions than under current law for a failure to cooperate, without good cause, with paternity establishment efforts.

#### Delaware

Under Delaware's "A Better Chance" program, the Division of Child Support Enforcement, rather than the state welfare agency, determines whether or not a mother has cooperated with paternity establishment efforts and the state will develop new cooperation criteria.

#### Ohio

To encourage paternity establishment for all children, Ohio's "A State of Opportunity" program gives a one-time cash bonus of \$150 to AFDC families when paternity is established for a child under the age of 18.

#### Oregon

A disregard of income is granted for a special one-time payment made to an applicant or recipient who makes a material contribution in establishing the paternity of a child born out of wedlock or in obtaining child support.

### IN-HOSPITAL PATERNITY ESTABLISHMENT

In 1993 Congress passed a law proposed by President Clinton that required states to establish hospital-based paternity establishment programs, as a pro-active way to establish paternity in a child's life. Already early data from just 31 states reported more than 200,000 paternities were established through the in-hospital paternity establishment programs in 1995. The following are a few examples of successful programs:

#### Colorado

Colorado has enhanced its in-hospital voluntary paternity establishment program with a grant from HHS's Child Support Improvement Demonstration Project. The program's simplified application procedures, elimination of fees and waiting periods, and streamlined administrative process has resulted in dramatic increases in voluntary acknowledgements -- 150 percent.

#### Massachusetts

Massachusetts has forged a strong partnership between its state agencies for revenue and public health to design its in-hospital voluntary paternity establishment program. With intensive training, technical assistance and a wide public awareness campaign, the program has helped to more than double the number of paternities established.

#### Vermont

Vermont has reorganized its child support program and established a Family Court dedicated solely to child support cases. Combined with the in-hospital voluntary paternity establishment program, Vermont has increased its paternity establishment rate by 85 percent.

## PILOT NEW HIRE PROGRAM TO TRACK PARENTS ACROSS STATE LINES

### New Hire Reporting Programs

Twenty-five states now have new-hire reporting programs that require or encourage employers to report new hires to a state agency. That information is then cross-matched by computer against lists of parents in the state who owe child support. When a match is found, the wages of that obligor can then be garnished or other appropriate action, such as a paternity proceeding, can be taken. These programs have been called the single biggest innovation in child support enforcement in the past decade and have significantly increased collections in the states that have adopted them. Today, the President is challenging the remaining 25 states to adopt similar new hire programs.

### A New Pilot Program

While these programs can help to locate non-paying parents within a state, they cannot find those who live and work in another state. Approximately 30 percent of all child support cases involve parents who have moved across state lines. Today, the President is announcing a new pilot program that will help track those parents who cross state lines to avoid their child support obligations.

Under the new pilot program, the twenty-five states that have new hire reporting programs can send that information to the Federal Parent Locator Service (FPLS), an existing program that is run by the Department of Health and Human Services' Office of Child Support Enforcement (OCSE). That data will then be matched by computer against lists of delinquent parents sent to OCSE from all the states. When a match is made, the information on the child support obligor will be sent back to the state so that the state can issue a wage garnishment order and send it to the employer.

### The Need for National Legislation

At the urging of the President, all the major national welfare bills now pending in Congress include a comprehensive national computer system for tracking parents across state lines. This system would have the capacity to match data every two days, and all states would be required to submit data on new hires and child support cases for computer matching. **If enacted, this new system would increase child support collections by \$6.4 billion and reduce Federal welfare payments by \$1.1 billion over 10 years.** The program announced today will provide states with valuable interim assistance in dealing with their interstate caseloads. To do more requires Congressional legislation.

Under his welfare reform proposal, the President has proposed five measures to increase child support collections by an additional \$24 billion and reduce federal welfare costs by \$4 billion over the next 10 years: streamlined paternity establishment; a national new hire reporting system; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, such as drivers' license revocation. The President calls on Congress to enact the full range of child support enforcement measures in bipartisan welfare reform legislation.

## NEW HIRE REPORTING PROGRAMS SHOW SUCCESS

Twenty-five states currently have new hire programs in place. New hire programs enable states to receive employment information on delinquent parents more frequently. These programs have led to striking improvements in locating parents who owe support and to dramatic increases in collections. The following are examples of state programs that are operating across the country:

**Florida** started its new hire program in \_\_\_\_\_. In 1995, Florida's new hire reporting program resulted in over 8,000 matches for outstanding child support cases; the annual amount of support owed under these cases is \$15.2 million. An additional 50,000 matches were made for other child support-related activities, such as paternity establishment.

**Iowa** implemented its new hire program in \_\_\_\_\_. The state estimates that it has added \$5 million to its collections for 1995 as a result of new hire reporting.

**Massachusetts** began its program in \_\_\_\_\_. Since March, 1993, the state has matched new hire information with 137,329 non-paying parents. The state estimates that in 1995, new hire information yielded \$15.4 million in increased child support, saving an estimated \$21.6 million from welfare case closures [Paul -- can welfare savings be larger than collections?].

**Missouri** began its new hire program in \_\_\_\_\_. Missouri estimates that the program collected \$12 million in 1995. Over 10 percent of the 721,000 new hires reported in 1995 owed child support or were wanted in paternity establishment cases.

**New York** implemented its new hire program in April 1996. Already, the state has processed 404,000 new hire reports (10,000-12,000 a day) with about a 7 percent match rate. New York estimates that it will collect \$14-\$15 million annually as a result of the program.

**Virginia** implemented its program in \_\_\_\_\_. As of December 1995, the state had matched almost 200,000 child support cases through its new hire program and estimates that total collections from these cases are in excess of \$20 million. Of this, \$7.2 million was used for welfare payment savings. In fact, the state estimates that total savings to the AFDC, Medicaid and Food Stamp programs from the new hire program equal over \$1.2 million in monthly benefits.

**Washington** implemented its new hire program on July 1, 1990. New hire reporting is documented as the state's most cost effective child support enforcement tool. For every dollar the state spends on its new hire program, it gains approximately \$20 in child support collections. Washington collected \$7.8 million in the first 18 months of its program, half of which was used to decrease welfare payments and save taxpayers money.

## THE CLINTON RECORD ON CHILD SUPPORT ENFORCEMENT

### Record Child Support Collections

In 1995, the federal-state partnership collected a record \$11 billion from non-custodial parents, an increase of \$3 billion, or nearly 40 percent, since 1992.

### Seizing Tax Refunds

In February 1996, HHS announced the collection of a record **\$828 million** in delinquent child support for 1994 by intercepting income tax refunds of non-paying parents. Benefiting over one million families, the amount was nearly 18 percent more than collections from income tax refunds for 1993.

### Prosecuting Non-Payers

Billions of dollars more in support is owed to children whose parents have crossed state lines and failed to pay. The Justice Department is aggressively investigating and prosecuting these cases under the Child Support Recovery Act.

### Federal Employees

On February 27, 1995, President Clinton signed an executive order to make the federal government a model employer in the area of child support enforcement. It requires all federal agencies, including the Armed Forces, to cooperate fully in efforts to establish paternity, and to ensure that children of federal employees are provided the support to which they are legally entitled.

### Improving Paternity Establishment

The Clinton Administration has made paternity establishment a top priority. Since 1992, paternity establishment has increased by over 40 percent. Preliminary data for paternity establishment show an estimated 735,000 in FY 1995, up from 515,857 in FY 1992.

Already, the Clinton Administration has proposed, and Congress has adopted, a requirement that states establish hospital-based paternity programs as a proactive way to establish paternities early in a child's life. These programs are just now being implemented, but data from thirty-one states indicates that more than 200,000 paternities were established through the program in 1995.

### Ending Welfare As We Know It

President Clinton has proposed five measures to increase child support collections by an additional \$24 billion and reduce federal welfare costs by \$4 billion over the next 10 years: streamlined paternity establishment; a national new hire reporting system; uniform interstate child support laws; computerized state-wide collections to speed up payments; and tough new penalties, such as drivers' license revocation. At the President's urging, Congress and the NGA have included all of the Administration's provisions for child support enforcement in their welfare reform bills.

Since taking office, the Clinton Administration has granted 63 welfare reform waivers to 40 states -- more all previous administrations combined. In an average month, these welfare demonstrations cover more than 10 million people -- approximately 75 percent of all AFDC recipients. Through these waivers, twenty-three states are pursuing innovative child support enforcement initiatives.

## THE CLINTON ADMINISTRATION APPROVES 40TH WELFARE REFORM DEMONSTRATION

Today, the Clinton Administration announces approval of "The New Hampshire Employment Program," a statewide welfare demonstration project for New Hampshire. New Hampshire is the 40th state to receive approval for a welfare waiver under the Clinton Administration.

### The New Hampshire Employment Program

**Requiring Work:** Like the President's proposals, New Hampshire is transforming its welfare system to focus on work, by combining incentives with strong work requirements to move people from welfare to work. Under the demonstration, welfare recipients are required to be assessed for employability as a condition of eligibility. The demonstration also requires participation in work activities, where available, after an initial 26-week period of job search; limits the amount of time that may be spent in post-secondary educational activities; and allows unemployed non-custodial parents to participate in education, training, and work programs. The demonstration also increases sanctions for non-participation or for not accepting a bona fide job offer.

**Making Work Pay:** The demonstration also includes provisions help make work pay. These provisions include raising the earned income disregard, raising the resource limit to \$2,000, disregarding the value of one vehicle (for the AFDC and the Food Stamp programs), establishing a special need allowance for work expenses, disregarding the income of children who are full-time students, and disregarding all educational income for the AFDC and the Food Stamp programs. The demonstration also includes supports for families moving from welfare to work, including transitional case management and expanded eligibility for transitional Medicaid.

### Ending Welfare As We Know It

Under President Clinton's leadership, America's welfare system has changed profoundly. Three out of four AFDC recipients -- more than 10 million people -- are now covered by reforms approved by the Clinton Administration. With our support, states are reforming welfare by requiring work, time-limiting assistance, making work pay, improving child support enforcement, and encouraging parental responsibility. **The Clinton Administration has now approved 63 welfare reform demonstrations in 40 states since taking office.**

Due in part to the Clinton Administration's emphasis on welfare reform and its policies to strengthen the economy, welfare rolls have decreased by 1.3 million -- almost 10 percent -- since President Clinton took office. Participation in the Food Stamp program has dropped by over one million people -- with a savings of more than \$1.3 billion since August 1994. The poverty rate is down, teen pregnancy rates are down, work and training activities among recipients are up, and child support collections have reached a record high.

2/5/96

**Child Support Enforcement**  
**February 5, 1996**

Mike -- If you are interested in highlighting some Cabinet news today:

*Benefit 1.1 million families*  
*\$828 m '94*  
*up 18% '93*

- HHS announced this morning that the Clinton Administration collected a record of \$828 million in delinquent child support by intercepting the income tax refunds of deadbeat parents. This amount, for tax year 1994, was nearly 18 percent more than was collected from income tax refunds in 1993 and benefitted more than 1 million families.

(This program of intercepting returns had been going on prior to Clinton Admin. Why have we been more successful? We have improved the computer system that tracks names and beefed up our partnership with states in getting the information on parents who owe, passing that info onto the IRS etc. We have made child support enforcement a top priority.)

- The \$828 million is just the money that was collected via intercepted income tax refunds. Overall federal child support collections have increased under the Clinton Administration from \$7 billion in 1991 to an estimated \$11 billion in 1995. \*

- How it Works: Under the tax offset program, state child support enforcement agencies report names of parents who owe child support payments and the overdue amount to the federal Administration for Children and Families. These persons are notified in writing of the amount which will be withheld to cover their child support debt and that amount is then dedicated from their income tax refund. Parents may have their names deleted from the list by paying the full amount due, or at state option, by entering into an agreement to make periodic payments. The delinquency may also be reported to credit reporting agencies.

- Under the President's proposals, supported by Congress, child support collections could increase by \$24 billion over the next 10 years. These measures include: streamlined paternity establishment, employer reporting of new hires, uniform interstate child support laws, computerized statewide collections and tough new penalties such as drivers license revocation. (FYI: These initiatives have bipartisan support and were part of the final conference welfare reform conference report. Thanks to our strong stance behind of tougher child support enforcement, we expect them to be included in any new welfare bill.)

Drafted: KMckiernan

# HHS NEWS

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

FOR IMMEDIATE RELEASE  
Monday, Feb. 5, 1996

Contact: Michael Kharfen  
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## RECORD IRS COLLECTIONS FOR DELINQUENT CHILD SUPPORT

The Clinton administration reported today that a record of more than \$828 million in delinquent child support was collected by the federal government from federal income tax refunds for tax year 1994. The amount was nearly 18 percent higher than the previous year, and over 1.1 million families benefitted from the program.

"Aggressive collection of overdue child support from tax refunds is just one way the Clinton administration has dramatically increased the financial support for single parents with children," said HHS Secretary Donna E. Shalala. "But, we have more work to do for the millions of children whose future is at risk because their parents evade their child support responsibilities."

"If Congress agrees to real welfare reform that, in addition to ensuring tough child support enforcement, moves people to work, promotes parental responsibility and protects children, then many delinquent parents won't be able to escape their obligation to their children as they do today," added Secretary Shalala.

Under the President's proposals supported by Congress, child support collections could increase by \$24 billion over the next 10 years. These measures include streamlined paternity establishment, employer reporting of new hires, uniform interstate child support laws, computerized statewide collections, and tough new penalties such as driver's license revocation.

The Clinton administration has also taken executive action to make the federal government a model employer in child support collections, increase paternity establishment and improve collection of child support from parents who move from state to state. Overall, federal child support collections have increased from \$7 billion in 1991 to an estimated \$11 billion in 1995.

Under the tax offset program, state child support enforcement agencies report names of parents who owe child support payments and the overdue amount to the federal Administration for Children and Families. These persons are notified in writing of the amount which will be withheld to cover their child support debt and that amount is then deducted from their income tax refund. Parents may have their names deleted from the list by paying the full amount due, or at state option, by entering into an agreement to make periodic payments. The delinquency may also be reported to credit reporting agencies.

"Children deserve responsible parents who provide emotional and financial support," said Mary Jo Bane, assistant secretary for children and families and director, Office of Child Support Enforcement. "For those parents who refuse to voluntarily pay their fair share, the tax offset program is a powerful means to secure the money needed to prevent a child from having to grow up in poverty."

Parents whose children receive Aid to Families with Dependent Children and whose unpaid child support totals \$150 or more may have their federal income tax refunds withheld. In 1994, refunds were withheld for over 846,000 families receiving AFDC. For families who

do not receive AFDC, an accrued debt of \$500 can activate an offset. Over 316,000 non-AFDC families benefitted from the program this year.

For tax year 1994, the average collection was \$713: \$748 for non-AFDC cases, and \$699 for AFDC cases. The cost of processing these cases was \$7.83 per case. Collections for tax year 1994 were made after tax returns for that year were filed in 1995 and refunds requested. Collections for 1995 will begin as income tax returns are filed in 1996.

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# HHS FACT SHEET

U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES

February 1996

Contact: ACF Press Office  
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## THE CLINTON RECORD ON CHILD SUPPORT

### Existing Child Support Programs

The goal of the Child Support Enforcement (CSE) program, established in 1975 under Title IV-D of the Social Security Act, is to ensure that children are supported financially by both parents.

Designed as a joint federal, state, and local partnership, the multi-layered program involves 54 separate state systems, each with its own unique laws and procedures. Some local child support offices are run by courts, others by counties, and others by state agencies. At the federal level, the Department of Health and Human Services provides technical assistance and funding to states through the Office of Child Support Enforcement and also operates the Federal Parent Locator System, a computer matching system that uses federal information to locate non-custodial parents.

Today, despite recent improvements in paternity establishment and collections, this child support system fails many families. In 1991, 14.6 million children lived in a female-headed family, almost triple the number in 1960, and 56 percent of them lived in poverty. Paternity is not established for most children born out of wedlock, child support awards are usually low and rarely modified, and ineffective collection enforcement allows many non-custodial parents -- especially in interstate cases -- to avoid payment without penalty.

### Clinton Administration Increases and Innovations

**Seizing tax refunds.** Today the Clinton administration is announcing the collection of a record **\$828 million** in delinquent child support for 1994 by intercepting income tax refunds of non-paying parents. Benefiting over one million families, the amount was nearly 18 percent more than collections from income tax refunds for 1993.

**Increasing resources.** The President has proposed annual expansions in child support enforcement, increasing resources by more than 32 percent since taking office. In 1995, the federal-state child support enforcement system collected a record **\$11 billion** from non-custodial parents, an increase of \$4 billion over 1991. HHS has also launched an initiative and given demonstration grants to states to promote improved performance, service quality and public satisfaction in the child support program.

**Prosecuting non-payers.** Billions of dollars more in support is owed to nine children whose parents have crossed state lines and failed to pay. The Justice Department is aggressively investigating and prosecuting these cases under the Child Support Recovery Act.

**Improving paternity establishment.** Already, the Clinton Administration has proposed, and Congress has adopted, a requirement for states to establish hospital-based paternity programs, as a proactive way to establish paternities early in a child's life.

**Federal employees.** On February 27, 1995, President Clinton signed an executive order to make the federal government a model employer in the area of child support enforcement. It requires all federal agencies, including the Armed Forces, to cooperate fully in efforts to establish paternity, and to ensure that children of federal employees are provided the support to which they are legally entitled.

### **Changes Under Welfare Reform**

#### **The Clinton Administration proposal**

According to a report by the Census Bureau, fewer than half of non-custodial parents make any payments at all for their children's support, and only about a quarter pay the full awarded amount. As a result, only \$11.9 billion in ordered child support was paid in 1991, far short of the \$48 billion that could be potentially collected, according to a study released last year.

The President's child support enforcement plan is a comprehensive approach designed to improve paternity establishment, get child support awards in place, update them periodically, and collect them when they are owed. HHS estimates that these improvements could increase payments by some \$24 billion over 10 years.

Five provisions would make a particular difference in collections:

**Streamlined paternity establishment.** Paternity establishment is the crucial first step toward securing an emotional and financial connection between father and child. The Administration's proposal expands the scope and effectiveness of current state-based procedures.

**New hire reporting.** Many states have recently begun requiring employers to report all new hires to the state, a technique that has proven highly effective in finding parents who owe support. Having this information in one national directory will allow delinquent parents to be located anywhere in the country.

**License revocation.** Threatening to revoke drivers' and occupational licenses has been a very effective means of collection in the 19 states that are experimenting with different combinations of license revocation. According to a recent HHS review, the threat of revocation has raised nearly **\$35 million** in just nine states which have collection statistics. HHS estimates that license revocation could increase total child support collections by as much as **\$2.5 billion over 10 years.**

**Uniform interstate child support laws.** New provisions will be enacted to improve state efforts to enforce interstate child support cases and to make interstate procedures more uniform throughout the country.

**Computerized state collections.** The ability to maintain accurate records that can be centrally accessed is critical. The Administration would ask states to maintain a central registry and centralized collection and disbursement capability.

**These five improvements would increase child support collections by \$24 billion in the next ten years and reduce federal welfare costs by \$4 billion over the same period.**

### **Congressional Action**

At the urging of the President, both houses of Congress included all of the Administration's provisions for child support in their welfare reform bills -- including a plan to ask states to deny drivers' licenses and professional licenses to deadbeat parents.

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